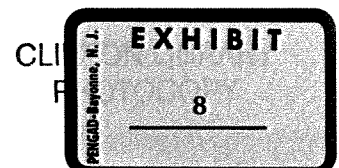


AFFIDAVIT OF SPECIAL AGENT JEFFREY DRUBNER

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
IN RE APPLICATION FOR ARREST :  
AND SEARCH WARRANTS. :

AFFIDAVIT

-----x  
STATE OF NEW YORK )  
COUNTY OF NEW YORK : ss.:  
SOUTHERN DISTRICT OF NEW YORK )

JEFFREY DRUBNER, being duly sworn, deposes and says:

Introduction

1. I am a Special Agent of the Federal Bureau of Investigation ("FBI"), and am currently assigned to the New York Field Division. I have been employed by the FBI for approximately 4 years, during which time I have participated in numerous investigations and arrests relating to money laundering and narcotics violations. As a result of those experiences, as well as my training, I have become familiar with the means by which narcotics traffickers launder the proceeds of their illegal activities.

2. Since in or about February 1994, the FBI, the Drug Enforcement Administration ("DEA") and the New York City Police Department ("NYCPD") jointly have been investigating, among others, RICHARD SPENCE, a/k/a "Dick," a/k/a "Charlie," HARVEY WEINIG, a/k/a "the Wing," Robert Hirsch and CHAIM HERMAN, in connection with their participation in a substantial international money laundering organization (the "Organization") which has laundered tens of millions of dollars in narcotics proceeds in the United States. I have been one of the case agents assigned to this investigation since its inception, and I make this affidavit in support of an application by the United States of America for warrants authorizing: (i) the arrest of defendants named in the attached complaint (the "Complaint"), and (ii) the search of certain premises described below.

3. The information set forth in this affidavit results from, among other sources, the use of undercover agents, discussions with reliable informants, physical surveillance, review of FBI, DEA and NYCPD reports, business records and publicly filed documents, and analysis of court authorized pen register and contemporaneous billing orders. In addition, the FBI, DEA and NYCPD have reviewed numerous consensually recorded conversations, and have monitored and recorded thousands of telephone conversations involving the named defendants, pursuant to a series of eight court-authorized wiretaps which commenced on or about May 10, 1994.

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4. To the extent that summaries and excerpts of either telephone calls intercepted pursuant to a court order or consensually monitored conversations are included below, they are based on tape recordings of the intercepted conversations, preliminary transcriptions of those conversations,<sup>1</sup> and notes taken by agents monitoring the wiretap. As is frequently the case when criminal coconspirators discuss their unlawful conduct over the telephone, the defendants frequently used code words and allusions during their conversations in an attempt to disguise the illicit content of those conversations. For example, many of the defendants used the term "paper," to refer to currency, and the term "container" to refer to units of \$1 million dollars. In the summaries of conversations that follow, words enclosed in square brackets indicate my own inferences and conclusions based on my training and experience in this and other money laundering investigations, on conversations I have had with other experienced law enforcement officers, and on the context of each intercepted conversation. Because many of the codes used by the defendants and their co-conspirators are repeated, I have not provided bracketed explanation for every coded reference.<sup>2</sup>

5. What follows is a chronological description of certain evidence of the Organization's activities from in or about October 1993 through in or about November 1994. This description is set forth solely for the purposes of this application and is by no means exhaustive. Where I assert that a statement or observation was made, I did not personally hear the statement or make the observation unless specifically so stated. Instead, the information was provided by another law enforcement officer, either verbally or in writing, who had direct or indirect knowledge of the statement or observation.

#### Overview of the Organization

6. The Organization is comprised of over thirty members based in various cities around the world including but not limited to Mulheim, Germany, Zurich, Switzerland, Cali, Colombia, Los Angeles, California, and New York, New York, and has been responsible for laundering tens of millions of dollars

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<sup>1</sup> In some cases, these preliminary transcriptions include draft translations of conversations conducted in whole or in part in Hebrew, German, and Spanish.

<sup>2</sup> Although the contemporaneous notes of the monitoring agents differ, in some cases, from the preliminary transcriptions and translations, based on my review of the recordings from the wiretap, my review of the recordings of consensually monitored telephone calls, and on conversations I have had with other law enforcement agents familiar with the contents of the these tapes, I believe the following summaries and excerpts to be accurate.

in narcotics proceeds. To date, the Government has seized approximately \$4,984,064 in narcotics proceeds from members of the Organization. RICHARD SPENCE, a/k/a "Dick," HARVEY WEINIG, a/k/a "the Wing," Robert Hirsch and CHAIM HERMAN are based in New York City and have been responsible for the pickup, transportation and laundering of narcotics proceeds generated in the United States, Canada and Puerto Rico.

7. In addition to Hirsch and WEINIG, who are practicing lawyers in New York City and are the principals of the New York law firm Hirsch Weinig, SPENCE, a retired New York City Fire Department ("NYCFD") fireman and successful businessman, and OCAMPO, a Colombian national who previously worked for the Organization in Germany and who was convicted of narcotics trafficking in the United States in the 1980s, the Organization is comprised of, among others, a stock-broker, an Honorary Consul from the Republic of Bulgaria, an NYCPD police officer, a NYCFD fireman, a management-level employee of Citibank, a hospital administrator working in New York City, and a Rabbi living and working in New York City.

8. The Organization has been laundering narcotics proceeds in the United States for at least two years. Typically, a member of the Organization is contacted by narcotics traffickers or their representatives who arrange to drop-off a sum certain in narcotics proceeds ranging from tens of thousands to hundreds of thousands of dollars on the street or in a hotel room in a particular city. A member of the Organization is then dispatched to obtain the proceeds and, if the pickup occurs outside New York City, to return them to New York City. Narcotics proceeds that are picked up in New York City or are returned to New York City from elsewhere are then turned over to one of the Organization's New York principals, who has the money counted and deposited into a bank account from which it is then transferred by wire or otherwise to Europe or elsewhere.

9. Although this paradigm appears to consistently have been followed by the Organization during the course of the conspiracy, the Organization's specific methods and personnel have changed during the past two years. For example, during the Organization's early money laundering activities in the United States, CHAIM HERMAN was primarily responsible for picking up money to be laundered in the United States, Puerto Rico and Canada and transferring it to LEON SHULUM WEINMANN and RACHEL WEINMANN (the "WEINMANNs") in Zurich, Switzerland. Later, TOHMES PETER, a/k/a "Peter Thomas," a/k/a "Moti," a/k/a "Renee," or JUAN GUILLERMO OCAMPO, a/k/a "Paul," began to contact SPENCE and eventually Hirsch when there was cash to be picked up in the United States, Puerto Rico, or Canada. After PETER and OCAMPO began to contact Hirsch as their primary contact in the United States, Hirsch would contact SPENCE, who would arrange for the cash to be picked up and brought back to him in New York.

Couriers dispatched by SPENCE would pick up bundles of United States currency in suitcases or boxes and transport them back to SPENCE's place of business. If the pickup was made outside of New York, a courier dispatched by SPENCE would either personally carry the money back to New York City, or send the money to New York via overnight mail services such as Federal Express. Once the Organization received the cash at SPENCE's place of business, SPENCE would then arrange, through one or more corrupt bank employees, for the cash to be deposited into bank accounts, including accounts controlled by SPENCE, as well as WEINIG and Hirsch. For a certain period of time, SPENCE, WEINIG and/or Hirsch would then arrange for the money to be transferred by wire to the WEINMANNs in Zurich, Switzerland, or to one of several other accounts. The WEINMANNs would then remit the funds to bank accounts designated by the Organization's customers.

#### Defendants and Offenses

10. On the basis of the facts set forth herein, I respectfully submit that there exists probable cause to believe that:

a. Defendants RICHARD SPENCE, a/k/a "Dick," a/k/a "Charlie," HARVEY WEINIG, a/k/a "The Wing," CHAIM HERMAN, TOHMES PETER, a/k/a "Peter Thomas," a/k/a "Moti," a/k/a "Renee," JUAN GUILLERMO OCAMPO, a/k/a "Paul," LEON SHULUM WEINMANN, RACHEL WEINMANN, MIGUEL OMAR GARRABITO BOTERO, a/k/a "Mr. Fred," AMPARO HURTADO VALENCIA, a/k/a "Helen," JULIANA LNU, a/k/a "Bonnie," CARLOS LOPEZ, MICHAEL T. KALANZ, a/k/a "Mike the Cop," GARY SALERNO, CHARLES BRUNO, ALEXANDER SCHWARTZ, a/k/a "Mr. R. Rosenbaum," a/k/a "Rosenberg," DANIEL CARROLL, JOSE E. TANON, DONALD J. HAYDEN, LATCHEZAR CHRISTOV, a/k/a "Lucky," ROBERT JANZ, MENASHE LEIFER, SYLVIA EZELL, and PATRICIA DILLUVIO, a/k/a "Patty," have violated Title 18, United States Code, Section 1956 and 1957.

b. Defendants RICHARD SPENCE, a/k/a "Dick," a/k/a "Charlie," and HARVEY WEINIG, a/k/a "The Wing," have violated Title 18, United States Code, Section 1001.

c. Defendants RICHARD SPENCE, a/k/a "Dick," a/k/a "Charlie," has violated Title 18, United States Code, Section 1343.

d. Defendant MICHAEL T. KALANZ, a/k/a "Mike the Cop," has violated Title 18, United States Code, Section 1503.

#### Arrest Warrant Application

11. On the basis of the information set forth herein, the Government hereby respectfully requests warrants authorizing the arrest of the following defendants:

### The Leaders of the Organization in the United States

a. RICHARD SPENCE, a/k/a "Dick," a/k/a "Charlie," age 37, resided at 12-29 Estates Lane, Queens, New York until August 1994. He currently resides at 9811 Leeward Court, Fort Myers, Florida. SPENCE is one of the leaders of the Organization and is primarily responsible for organizing money pickups, depositing large sums of cash into bank accounts without raising suspicion, and transferring that cash to various accounts via wire transfers. SPENCE, a former fireman employed by the NYCFD, operates several businesses at 431 East 165th Street, Bronx, New York ("431 East 165th Street"), including a trucking company, a beer distributorship, and a home oil and heating company. This location is used in part by the Organization to further, and to conceal, its illegal activities. SPENCE has no known criminal record.

b. HARVEY WEINIG, a/k/a "The Wing," age 46, resides at 110 Riverside Drive, New York in Manhattan. WEINIG, is a lawyer licensed to practice in the State of New York and is one of the name-partners of Hirsch Weinig, a 10-lawyer firm located at 1540 Broadway (Suite 29-A), New York, New York. The Hirsch Weinig law firm is used in part by the Organization to facilitate and conceal its illegal activities. Indeed, WEINIG, who is one of the leaders of the Organization, operates primarily out of his offices at Hirsch Weinig in New York, from which he engages in banking transactions on behalf of the organization and consults with SPENCE and Robert Hirsch about the Organization's activities. Hirsch, the other name-partner of Hirsch Weinig, is also a lawyer licensed to practice in the State of New York. Hirsch too operates primarily from Hirsch Weinig in New York, where he helps coordinate the Organization's money laundering activities with SPENCE in New York, and with PETER, OCAMPO, and the WEINMANNs in Europe.

c. CHAIM HERMAN, age 36, resides at 1526 41st Street, Brooklyn, New York. HERMAN, at one time, was primarily responsible for all cash pickups in the United States and for transferring cash from the United States to the WEINMANNs in Switzerland. HERMAN later worked with SPENCE laundering money on behalf of the Organization.

### The Leaders of the Organization in Europe

d. TOHMES PETER, a/k/a "Peter Thomas," a/k/a "Moti," a/k/a "Renee," age 47, resides in Mulheim, Germany, where he used to live with JUAN GUILLERMO OCAMPO. PETER worked with OCAMPO, the WEINMANNs, and others in Europe, and was in constant communication with Hirsch and with the Organization's clients up until the time he began to receive threats because of his failure to remit payments entrusted to him to launder.



e. JUAN GUILLERMO OCAMPO, a/k/a "Paul," age 35, OCAMPO is one of the Organization's leading members who resides in and operates out of Mulheim, Germany. Before his recent arrest in Colombia on or about September 29, 1994, OCAMPO was in constant communication with Hirsch and with the Organization's clients. In or about September 1982, OCAMPO was convicted in New York State Court of criminal sale of a controlled substance, and was sentenced to a term of imprisonment of 5 years to life. OCAMPO was released on parole in or about May 1987.

f. LEON SHULUM WEINMANN resides in Zurich, Switzerland. Mr. WEINMANN receives cash and wire transfers in Zurich, Switzerland on behalf of the Organization and remits them to bank accounts designated by the Organization's customers.

g. RACHEL WEINMANN, who is the wife of LEON SHULUM WEINMANN, also resides in Zurich, Switzerland. Ms. WEINMANN works with Mr. WEINMANN to receive cash and wire transfers in Zurich, Switzerland on behalf of the Organization and remit them to bank accounts designated by the Organization's customers.

#### The Leaders of the Organization in Colombia

h. MIGUEL OMAR GARRABITO BOTERO, a/k/a "Mr. Fred," resides in Colombia and is believed to be associated with the Cali cocaine cartel.

i. AMPARO HURTADO VALENCIA, a/k/a "Helen," resides in Colombia and is believed to be associated with the Cali cocaine cartel.

j. JULIANA LNU, a/k/a "Bonnie," resides in Colombia and is believed to be associated with the Cali cocaine cartel.

k. CARLOS LOPEZ, resides in Colombia and is believed to be associated with the Cali cocaine cartel.

#### Couriers and other Key Members of the Organization

l. MICHAEL T. KALANZ, a/k/a "Mike the Cop," age 30, resides at 234 Old Sylvan Lake Rd., Hopewell Junction, New York. KALANZ, who acts as a courier for the Organization, is a Police Officer with the NYCPD, Shield Number 16330, and is assigned to the 48th Precinct in the Bronx. KALANZ, among other things, is responsible for counting and storing substantial amounts of United States currency and transporting it to banks on behalf of the Organization. KALANZ has stored hundreds of thousands in United States currency in his locker at the 48th Precinct.

m. GARY SALERNO, age 34, resides at 207-19 Melissa Court, first floor apartment, Queens, New York. SALERNO is one of the Organization's couriers, who picks-up and transports the proceeds of narcotics trafficking for the Organization. In addition, SALERNO acts as an enforcer for the Organization, intimidating and collecting money from various individuals. SALERNO is employed as a Hospital Administrator in the Bronx. On or about July 21, 1994, SALERNO was arrested by the NYCPD and charged with two felonies, extortion involving physical injury and attempted grand larceny. This State prosecution is currently pending. On or about November 16, 1994, SALERNO was arrested on a Complaint filed in the Eastern District of New York, United States v. Candella, et al., 94 Mag. Dkt. No. 1790, charging him with a conspiracy to traffick in firearms in violation of Title 18, United States Code, Sections 371 and 922(g). On that same day, a search of SALERNO's residence revealed that he possessed what appears to be a "hitman's kit," consisting of a garrotte -- which is a device used to strangle and sever the vocal chords of its intended victim -- three pairs of handcuffs, ammunition, and a law enforcement badge bearing someone else's name. In addition, a handgun, two rifles, ammunition, and a bugging device, among other things, were recovered in the search.

n. CHARLES BRUNO, age 38, resides at 9 Peachtree Lane, Hicksville, New York. BRUNO, who acts as a courier for the Organization, is a fireman with the New York City Fire Department, and is currently assigned to Engine Company 307, Hook and Ladder Company number 154, located on Northern Boulevard in Queens, New York.

o. ALEXANDER SCHWARTZ, a/k/a "Mr. R. Rosenbaum," a/k/a "Rosenberg," age 29, is a British citizen who until recently resided in Brooklyn, New York. SCHWARTZ, who purports to be a Rabbi, acts as a courier for the Organization.

p. DANIEL CARROLL, age 42, resides at 32-03 150th Street, Queens, New York. CARROLL, who is one of SPENCE's most trusted couriers, travels to various cities in the United States and abroad to pick up money for the Organization and return with it to New York City.

q. JOSE E. TANON, age 30, resides at 2764 Morris Avenue, Bronx, New York. TANON is a courier for the Organization, and works for SPENCE at 431 East 165th Street.

r. DONALD J. HAYDEN, age 59, resides at 3412 Oceanfront Walk, Marina Del Rey, California. HAYDEN receives large quantities of cash at his office at Laidlaw Equities located at 100 Wilshire Boulevard, Suite 1620, Santa Monica, California, which HAYDEN then ships via Federal Express to SPENCE in New York. According to the National Association of Securities

Dealers, HAYDEN is a registered representative for Laidlaw Equities, which is a full service brokerage firm that obtains private funds and invests in commodities.

s. LATCHEZAR CHRISTOV, a/k/a "Lucky," age 57, resides at 607 Skyline Trail, Topanga Canyon, California. According to the National Association of Securities Dealers, CHRISTOV is also a registered representative for Laidlaw Equities with HAYDEN. CHRISTOV works with HAYDEN receiving cash and shipping it to SPENCE. CHRISTOV is also Honorary Consul General for the Republic of Bulgaria, and was accredited by the Bulgarian Government to this position on or about October 1, 1993.<sup>3</sup>

t. ROBERT JANZ, a/k/a "Bobby," age 36, resides at 72-33 61st St., Glendale, New York. JANZ often brings cash that has been received and counted by the Organization to a bank for deposit and sometimes acts as a courier for the Organization. JANZ works as a dispatcher for SPENCE at 431 East 165th Street.

u. MENASHE LEIFER, age 33, resides at 1364 57th Street, First Floor Apartment, Brooklyn, New York. LEIFER, who is purportedly a Rabbi, usually works with SPENCE and HERMAN, and performs various tasks in furtherance of the Organization's money laundering activities.

v. SYLVIA EZELL, age 40, resides at 1562 Bogart Avenue, Bronx, New York. EZELL, who works as a secretary for SPENCE at 431 East 165th Street, makes arrangements on behalf of the Organization to pick up, transport, and wire-transfer the proceeds of illegal narcotics trafficking.

w. PATRICIA DILLUVIO, age 28, resides at 1122 Rhinelander Avenue, Bronx, New York. DILLUVIO works as an Assistant Branch Manager for Citibank at the 1010 Morris Park Avenue, Bronx, New York branch (the "Morris Park Citibank"), where she accepts large sums of cash brought by other members of

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<sup>3</sup> I have been informed by FBI Special Agent Jackie Felton that she confirmed in writing with an employee of the Department of State, Office of Protocol, that CHRISTOV's position is categorized as a part-time employee of the Republic of Bulgaria. The State Department employee also provided Special Agent Felton with a booklet entitled "PERSONAL RIGHTS AND IMMUNITIES OF FOREIGN DIPLOMATIC AND CONSULAR PERSONNEL." The booklet states that "Honorary consular officers in the United States have personal inviolability only in connection with official acts and enjoy only the more restricted form of official acts immunity accorded U.S. nationals or permanent residents, and immunity from the obligation to provide evidence as witnesses only in respect of official acts."

the Organization and transfers the funds through various accounts on behalf of the Organization.

Southern District of New York Search Warrant Application

12. On the basis of the information set forth herein, the Government hereby respectfully requests warrants authorizing the search of the following premises located in the Southern District of New York:

a. 431 East 165th Street is an office and warehouse facility from which SPENCE operates several of his allegedly legitimate businesses. Court authorized wiretaps, confidential source information and surveillance of 431 East 165th Street have revealed that many members of the Organization work and spend a substantial amount of time at this location engaging in money laundering-related activities, both in person and by telephone. In addition, there is probable cause to believe SPENCE maintains banking records at this location that are relevant to this investigation. The Government requests a warrant to search these premises for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendants SPENCE, TANON, JANZ and EZELL, and including Paragraphs 11(a), (q), (t), (v), 51, 60, 63, 66, 69, 72, 75-76, 78-81, 98, 102, 104-105, 113, 121, 134, 136, 165-166, 198 and 207).

b. 1540 Broadway (Suite 29-A), New York, New York ("1540 Broadway, Suite 29-A") is commercial space leased by the Hirsch Weinig law firm. Court authorized wiretaps, confidential source information and surveillance of 1540 Broadway, Suite 29-A have revealed that WEINIG and Hirsch engage in substantial money laundering-related activities at this location both in person and by telephone, and maintain records of those activities at this location. The Government requests a warrant to search these premises for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendant WEINIG and including Paragraphs 123, 142-143, 159, 161, 169, 174, 185, 194, 207 and 213).

c. 110 Riverside Drive, Apartment No. A-5-F, New York, New York ("110 Riverside Drive"). 110 Riverside Drive is a sixteen story, doorman building located on Riverside Drive between 83rd and 84th Streets, and contains HARVEY WEINIG's primary residence. Public utility and New York Department of Motor Vehicles records and surveillance confirm that 110 Riverside Drive is HARVEY WEINIG'S residence. Additionally, consensually monitored conversations and confidential source information reveal that WEINIG stores illicit proceeds of his money laundering activities at 110 Riverside Drive. The Government requests a warrant to search 110 Riverside Drive for all of the items listed in Paragraph 210 below. (See Paragraphs

referenced in Defendant Index for defendant WEINIG and including Paragraph 199 and 207).

d. A Locker assigned to MICHAEL T. KALANZ in the locker room in the basement of the 48th Police Precinct building, 450 Cross Bronx Expressway, Bronx, New York (the "Locker"). On or about November 28, 1994, a police official inside the 48th Police Precinct building, 450 Cross Bronx Expressway, Bronx, New York, whose duties include maintaining the records of locker assignments advised that KALANZ is currently assigned the Locker, which is located in the basement locker room of the 48th Precinct building. According to a map drawn by the police official, the Locker is located in the section of lockers opposite the lounge and bathroom, three rows of lockers from the back wall, towards the center isle of the locker room. The Locker is grayish green with a silver handle and a padlock, and is approximately six to seven feet tall, two feet wide and two feet deep. (An official in the 48th Precinct building will assist agents conducting the search to ensure that they locate the Locker). Court authorized wiretaps and surveillance reveals that KALANZ stores bundles of United States currency in the Locker for the Organization, and that KALANZ also works at 431 East 165th Street on behalf of the Organization. The Government requests a warrant to search the locker for the items referred to in Paragraph 206 below. (See Paragraphs referenced in Defendant Index for defendant KALANZ and including Paragraphs 63, 68-70, 134, 206 and 207).

e. The desk used by PATRICIA DILLUVIO at the Citibank branch located at the Morris Park Citibank ("The Desk"). The Desk is located on the ground floor of the Morris Park Citibank, and has a placard with her name on it. Court authorized wiretaps and surveillance reveals that couriers for the Organization brought DILLUVIO bundles of United States currency at the Morris Park Citibank. The Government requests a warrant to search The Desk for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendant DILLUVIO and including Paragraphs 53, 57, 67, 70, 77-78, 137, 149, 164, 184).

#### Eastern District of New York Search Warrant Application

13. On the basis of the information set forth herein, the Government hereby respectfully requests warrants authorizing the search of the following premises located in the Eastern District of New York:

a. A private house located 100 feet south of Montauk Highway on Meeting House Lane, Long Island, New York, including any wells on the property ("Meeting House Lane"). Meeting House Lane is a two story single family house with a porch and surrounded by a white picket fence, which is used by HARVEY WEINIG as a country house. Confidential source

information has revealed that WEINIG stores illicit proceeds of his money laundering activities at Meeting House Lane. The Government requests a warrant to search Meeting House Lane for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendant WEINIG and including Paragraph 207 and 208).

b. 32-03 150th Street, Queens, New York, ("32-03 150th Street") is a two story single family residence located on the South-East corner of 32nd Avenue and 150th Street, and is DANIEL CARROLL's primary residence. Public utility and real estate records as well as surveillance conducted at this location confirm that DANIEL CARROLL resides at 32-03 150th Street. The Government requests a warrant to search 32-03 150th Street for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendant CARROLL and including Paragraph 46 and 207).

#### Middle District of Florida Search Warrant Application

14. On the basis of the information set forth herein, the Government hereby respectfully requests warrants authorizing the search of the following premises located in the Southern District of Florida:

a. 9811 Leeward Court, Fort Myers, Florida ("9811 Leeward Court") is a single family stucco house and is RICHARD SPENCE's primary residence. Southern Bell Telephone Company records reveal that the telephone number registered to 9811 Leeward Court is subscribed to in the name RICHARD SPENCE. In addition, on or about September 22, 1994, agents acting in an undercover capacity met with SPENCE inside 9811 Leeward Court, Fort Myers, Florida, where they discussed one of SPENCE's money laundering transactions. The Government requests a warrant to search 9811 Leeward Court for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendant SPENCE and including Paragraphs 136, 198 and 207).

#### Central District of California Search Warrant Application

15. On the basis of the information set forth herein, the Government hereby respectfully requests warrants authorizing the search of the following premises located in the Central District of California:

a. 100 Wilshire Boulevard, Suite 1620, Santa Monica, California (100 Wilshire Boulevard) is an office building containing approximately 60 offices. Suite 1620, which is located on the 16th floor, contains the offices of Laidlaw Equities and Consul to the Republic of Bulgaria. Wiretap interceptions and surveillance have revealed that DONALD J.

HAYDEN and LATCHEZAR CHRISTOV, a/k/a "Lucky," work out of Suite 1620, have engaged in numerous money laundering-related telephone conversations from Suite 1620, and have received deliveries of United States currency at this location. The Government requests a warrant to search 100 Wilshire Boulevard for all of the items listed in Paragraph 210 below. (See Paragraphs referenced in Defendant Index for defendants HAYDEN and CHRISTOV and including Paragraphs 56 and 58).

**There Is Probable Cause To Believe That The Defendants Have Violated, And Are Violating, The Federal Money Laundering Laws**

**The Organization's Activities From October 1993 Through April 1994**

16. From at least in or about 1991 through the date of the filing of this Complaint, the Organization has picked up large quantities of cash in various cities throughout the United States, Puerto Rico, Canada, and Europe. On several occasions, the Organization's couriers have been stopped by law enforcement and the money they were carrying has been seized. For example, as discussed more fully below, in 1993 and 1994, couriers in possession of substantial amounts of United States currency were arrested in San Juan, Puerto Rico and Houston, Texas. In addition, certain members of the Organization stole money they were supposed to launder on behalf of the Organization and fabricated documents to make it appear as if the money had been seized by the Government. Partially as a result of the seizures, both actual and fabricated, certain members of the Organization met to discuss, among other things, how to avoid future seizures.

17. Despite efforts by the Organization to avoid detection by law enforcement, not only were couriers for the Organization arrested with large quantities of cash, but law enforcement was able to, among other things, conduct surveillance of the Organization's illegal conduct and intercept conversations pursuant to court authorized wiretaps during which narcotics traffickers arranged for the Organization to launder their narcotics proceeds, and discussed their use of the Organization to launder those proceeds.

SCHWARTZ is stopped in San Juan, Puerto Rico with \$267,830.

18. From on or about October 3, 1993 through on or about October 6, 1993, SCHWARTZ was registered as a guest at the Sands Hotel in Isla Verde, Carolina, Puerto Rico, (the "Sands Hotel") under the name "Mr. R. Rosenbaum."

19. On or about October 6, 1993, at approximately 6:55 a.m., SCHWARTZ was stopped at an American Airlines security

checkpoint in the Luis Munoz Martin International Airport in Carolina, Puerto Rico. SCHWARTZ was scheduled to depart Puerto Rico on a 7:00 a.m. flight to New York City. While passing through airport security, SCHWARTZ's chest appeared to have an irregular shape, and an X-ray of SCHWARTZ's carry on luggage revealed a suspicious package. When asked about the irregular shape of his chest and the contents of his carry on luggage, SCHWARTZ said that he was carrying cash under his clothing and in his luggage. A consent search of SCHWARTZ's person revealed that he was wearing a money vest filled with United States currency. A consent search of SCHWARTZ's carry on baggage revealed bundles of United States currency wrapped inside newspaper and packaged in a plastic bag, three empty money vests, and rubber bands. In addition, a narcotics sniffing dog indicated the presence of narcotics on the United States currency seized from SCHWARTZ, which totalled approximately \$267,830. This money is currently the subject of a forfeiture proceeding in Puerto Rico.

20. On or about October 6, 1993, when asked by DEA agents about the source of the money, SCHWARTZ stated in substance that he was given the money in New York City on or about October 3, 1993 by a person whom he could not describe, and that he had subsequently brought the money from New York to Puerto Rico for the purpose of purchasing diamonds and rubies. SCHWARTZ said that he could not identify the person who was going to bring the diamonds and rubies to SCHWARTZ, and that the person whom he could not identify had failed to meet SCHWARTZ in Puerto Rico as planned.

21. On or about October 16, 1993, SPENCE travelled to Puerto Rico and registered as a guest at the Sands Hotel. While at the hotel, SPENCE presented a Sands Hotel claim check to a hotel employee and asked the employee to investigate the whereabouts of a suitcase left behind by "Mr. R. Rosenbaum," which was the alias used by SCHWARTZ when he had stayed at the Sands Hotel. SPENCE purported to be a friend of Mr. Rosenbaum, and said that he was investigating the matter for the Hirsch Weinig law firm. SPENCE explained that Mr. Rosenbaum had been at the Sands Hotel to conduct a diamond transaction that did not occur. According to SPENCE, Mr. Rosenbaum took half of the money for the transaction, approximately \$250,000, to the airport with him when he checked out of the hotel, but had inadvertently left approximately \$260,000 in a suitcase at the Sands Hotel claim check area. SPENCE explained that the \$250,000 that Mr. Rosenbaum took to the airport had been seized by the DEA, but that Hirsch Weinig subsequently had the money returned. SPENCE said that he had come to Puerto Rico to retrieve the other half. On or about October 17, 1994, after failing to obtain the suitcase, SPENCE checked out of the Sands Hotel and returned to New York.



22. On or about November 4, 1993, the Hirsch Weinig law firm filed a civil complaint in the Eastern District of New York against the Sands Hotel on behalf of SCHWARTZ claiming that on or about October 6, 1993, SCHWARTZ had left a suitcase containing \$260,000 with the Sands Hotel and that the Sands Hotel either willfully or negligently allowed someone else to take it. Subsequently, on or about February 14, 1994, SPENCE, WEINIG and Hirsch filed a claim of ownership with the DEA in which SPENCE swore that, among other things, the \$267,830 seized from "Rabbi" ALEXANDER SCHWARTZ by the DEA on or about October 6, 1993, belonged to him and represented the proceeds of payment "for a sale of precious stones by me acquired and sold overseas. Rabbi Schwartz was engaged by me to deliver this payment to me." SPENCE further swore that the transaction that "was the subject of the seized payment in this matter could be typical of scores, indeed hundreds of daily transactions on 47th Street in New York City."

BRUNO and SCHWARTZ are stopped in Houston, Texas with \$1,054,210 and \$802,893, respectively.

23. From on or about January 4, 1994 through on or about January 6, 1994, SCHWARTZ was registered in Room 371 at the Doubletree Hotel in Houston, Texas ("Room 371"). On or about January 4, 1994, at approximately 3:10 p.m., agents conducting surveillance saw SCHWARTZ remove two weighted cardboard boxes from the trunk of car and carry them into the Doubletree Hotel, return to the car, and then carry two more weighted cardboard boxes into the Doubletree Hotel.

24. On or about January 5, 1994, at approximately 5:50 p.m., agents conducting surveillance observed BRUNO enter Room 371 with three suitcases. At approximately 6:10 p.m., agents observed SCHWARTZ and BRUNO leave Room 371 with four suitcases and a backpack and proceed to the Houston International Airport. BRUNO checked three of the four suitcases for a 6:55 p.m. flight to New York City, and SCHWARTZ returned to the Doubletree Hotel with the fourth suitcase. After being approached by DEA agents, BRUNO voluntarily agreed to answer questions about the three suitcases he had checked, consented to a search of three suitcases, and provided agents with a key that opened the suitcases. A search of the suitcases revealed that they contained bundles of United States currency totalling approximately \$1,053,200. In addition, each of the three seized suitcases had address tags bearing the words "Spence, Bayside, New York."<sup>4</sup> A consent search of the backpack also revealed \$1,010 in United States currency within a white envelope.

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<sup>4</sup> As set forth above, in January 1994, SPENCE resided at 12-29 Estates Lane, Queens, New York, which is located in the Bayside section of Queens.

25. After CHARLES BRUNO was arrested and advised of his constitutional rights, BRUNO told agents, in substance and in part, that he had travelled to Houston to pick up money for SPENCE. BRUNO further stated that when he had asked SPENCE what the money was for, SPENCE had explained that the money was proceeds from settlement fees among lawyers and that BRUNO's conduct would be legal. SPENCE had instructed BRUNO to buy three suitcases and then pick up the money from an individual known as "Rosenberg" [SCHWARTZ] who would meet BRUNO in Room 371. Pursuant to SPENCE's instructions, BRUNO met with an individual who identified himself as Rosenberg in Room 371. There, BRUNO and Rosenberg emptied about four or five cardboard boxes containing bundles of cash and loaded the cash into four suitcases, including the three suitcases BRUNO had purchased that day. Rosenberg gave BRUNO an envelope containing cash and instructed BRUNO to give the envelope containing the cash to SPENCE's associate who would be picking up BRUNO at the airport in New York. SPENCE had agreed to pay BRUNO \$1,000 for making the pick-up and delivery. BRUNO also stated, in substance and in part, that on one previous occasion, he had travelled to Puerto Rico to pick up cash for SPENCE at SPENCE's request. BRUNO was released and no charges were filed regarding the above-described events.

26. Subsequently, on or about July 13, 1994, SPENCE, WEINIG and Hirsch filed a claim of ownership with the DEA in which SPENCE swore that the \$1,053,200 seized from CHARLES BRUNO by the DEA on January 5, 1994 was SPENCE's money and that "Mr. Bruno was carrying these funds as expense money for the business trip for which I engaged him." In addition, on or about July 13, 1994, SPENCE, WEINIG and Hirsch filed another claim of ownership with the DEA in which SPENCE swore that the \$1,010 seized from BRUNO by the DEA on or about January 5, 1994, was "owned by me and represents a portion of payment due to me for a sale of precious stones and metals acquired and sold overseas. Mr. Bruno was engaged to deliver this payment to me."

27. On or about January 6, 1994, at approximately 2:25 p.m., agents conducting surveillance observed SCHWARTZ leave the Doubletree Hotel and arrive approximately 25 minutes later at the Westin Galleria Hotel in Houston, Texas. As SCHWARTZ attempted to check into the Westin Galleria Hotel, DEA agents placed SCHWARTZ under arrest. SCHWARTZ consented to a search of the bags that he was carrying, which revealed that they contained bundles of United States currency totalling approximately \$802,893.

28. On or about January 6, 1994, after being advised of his constitutional rights, SCHWARTZ said, in substance and in part, that on January 4, 1994, between approximately 12:00 p.m. and 1:00 p.m., an unknown male came to Room 371 and gave him three large trash-bags filled with cash in exchange for two bags

of diamonds and rubies. The unknown man left the room and returned approximately 30 minutes later with three more trash-bags filled with cash that the unknown man gave SCHWARTZ in exchange for two more bags of diamonds and rubies. SCHWARTZ said that he did not want to transport the money alone and that a "Mr. Ronnie Rosenbaum" in Europe contacted him and agreed to send someone to assist SCHWARTZ in transporting the money.<sup>5</sup> SCHWARTZ said that another unknown man then came to Room 371 to help transport the money. When asked about four empty cardboard boxes that SCHWARTZ had left behind in the Doubletree Hotel, SCHWARTZ said that the unknown man who brought the trash-bags full of money in exchange for the diamonds and rubies also brought the boxes. SCHWARTZ said that the boxes had contained nothing but styrofoam, and when asked what happened to the styrofoam, SCHWARTZ replied that the unknown man had taken it with him. SCHWARTZ was released and no charges were filed regarding the above-described events.

29. Subsequently, on or about July 13, 1994, SPENCE, WEINIG and Hirsch filed a claim of ownership with the DEA in which SPENCE swore that the \$802,893 seized from ALEXANDER SCHWARTZ by the DEA on January 6, 1994 was SPENCE's money "and represents a portion of the proceeds of a payment due to me for a sale of precious stones and metals acquired and sold overseas. Mr. Schwartz was engaged to deliver this payment to me."

SALERNO is stopped in Houston, Texas with \$676,392.

30. On or about January 14, 1994, at approximately 9:30 a.m., agents conducting surveillance in Houston, Texas, observed Fabian Orozco ("Orozco") and Dario Roza ("Roza") place two large grey suitcases in the trunk of a white Chevrolet (the "White Chevrolet"). At approximately 11:00 a.m., agents saw Roza in the White Chevrolet and Orozco in another car drive in tandem to the Sheraton Astrodome Hotel. Roza parked the White Chevrolet in the parking lot of the Sheraton Astrodome Hotel and then met Orozco in the other car. At approximately 11:30 a.m., agents observed SALERNO enter the White Chevrolet.

31. On or about January 14, 1994, at approximately 1:00 p.m., agents conducting surveillance observed SALERNO enter a Greyhound bus terminal in Houston, Texas, carrying two large grey suitcases. Agents stopped SALERNO for questioning, and a narcotics sniffing dog indicated a positive alert to the presence

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<sup>5</sup> Telephone records from Room 371 reveal that on January 5th and 6th, 1994, there were a total of seven telephone calls made to telephone number (718) 665-6669, which is one of SPENCE's business telephones. Records of the Doubletree Hotel reveal that on January 4th and January 5th, 1994, SCHWARTZ received two messages from SPENCE and two messages from HERMAN.

of narcotics in the suitcases. SALERNO consented to a search of the suitcases, which revealed that the suitcases contained bundles of United States currency totalling \$676,392. When asked about the money, SALERNO said, in substance and in part, that he was transporting the cash for delivery to RICHARD SPENCE in New York City, and that he had planned to board a bus bound for New York with the two suitcases. No charges were filed against SALERNO regarding the above-described events.

32. Subsequently, on or about March 24, 1994, SPENCE, WEINIG and Hirsch filed a claim of ownership with the DEA in which SPENCE swore that \$676,392 seized from GARY SALERNO by the DEA on January 14, 1994 was SPENCE's money "and represents a portion of the proceeds due to me for a sale of precious stones and metals acquired and sold overseas. Mr. Salerno was engaged to deliver this payment to me." A confidential source (the "CS")<sup>6</sup> has advised me that in or around March 1994, WEINIG, SPENCE and Hirsch discussed how to characterize the source of the seized currency in filings made to the authorities and agreed that they would claim among other things that the currency represented the proceeds of business transactions involving diamonds and rubies.

33. On or about June 30, 1994, Orozco, Roza and others were indicted in the Southern District of Texas, Houston Division, on charges of conspiring to distribute five kilograms or more of cocaine in violation of Title 21, United States Code, Section 846, and conspiring to launder narcotics proceeds in violation of Title 18, United States Code, Section 1956. The Houston Indictment, 94 Cr. 144, alleges that both the narcotics and money laundering conspiracies took place from in or about November 1993 through in or about June 1994, and charges as an overt act in furtherance of the money laundering conspiracy that on or about January 14, 1994, the defendants conducted a financial transaction of approximately \$676,392.

The February 1994 Zurich, Switzerland Meeting.

34. The CS has advised me that from on or about January 31, 1994, through on or about February 2, 1994, LEON SHULUM WEINMANN, RACHEL WEINMANN, CHAIM HERMAN, TOHMES PETER, Robert Hirsch and others, met in Zurich, Switzerland to discuss

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<sup>6</sup> CS is a cooperating witness who has executed a plea agreement with the Government and is expected to plead guilty to money laundering, wire fraud, bank fraud and false statement charges in the United States District Court for the Southern District of New York. CS has provided reliable information that has been verified by, among other things, recorded telephone conversations, telephone records, business records, and surveillance.

the business of the Organization. Among other things, LEON SHULUM WEINMANN and RACHEL WEINMANN participated in a conversation in which Hirsch said that the money they were laundering was the proceeds of narcotics trafficking. In addition, LEON SHULUM WEINMANN and RACHEL WEINMANN said that they had engaged in financial transactions in the aggregate amount of \$72,000,000 with PETER during the previous year.

SPENCE and TANON launder money for the  
Bozeman narcotics trafficking organization.

35. During the course of an investigation into the narcotics trafficking and money laundering activities of Erick Bozeman, a/k/a "Jason Mitchell," James R. Piggot, a/k/a "Blue," (hereinafter referred to as "Blue"), Wayne Rodriguez, Nelson Valencia and others, the Government conducted several court authorized wiretaps (the "Bozeman investigation"). As set forth more fully in a Complaint filed in the Southern District of New York on or about May 27, 1994, from in or about December 1992 through in or about May 1994, Valencia operated out of Cali, Colombia, and supplied cocaine to Bozeman, who operated out of California. After receiving cocaine shipments from Valencia, Bozeman shipped the cocaine to various locations throughout the United States, with the bulk of such shipments going to New York City. Valencia told Bozeman by telephone whom to pay for the cocaine shipments, with certain of the payments being made to people in New York City. Bozeman, in turn, passed Valencia's payment instructions to Blue, who then arranged for payment to be made. Conversations referred to in Paragraphs 36 through 42 below were intercepted in the course of the Bozeman investigation pursuant to court authorized wiretaps.

36. On or about April 12, 1994, at approximately 10:30 a.m., Blue called SPENCE and said, "this is Helen for Dick [SPENCE]." SPENCE and Blue discussed arrangements for Blue to deliver money to SPENCE. SPENCE and Blue discussed whether the delivery would be made by the same person who had made the delivery during the previous week. The conversation ended with SPENCE stating, "give me a call the minute you are ready to go, the earlier [the] better . . . I want to get this stuff right into the bank."

37. On or about April 12, 1994, at approximately 12:20 p.m., Blue called SPENCE and said, "this is Helen for Dick [SPENCE]," to which SPENCE responded, "okay, this is Dick." SPENCE and Blue then agreed that the delivery of money would occur at 1:00 p.m. in front of a hospital located at 121st Street and Madison Avenue in Manhattan. SPENCE told Blue that "his guy" would meet Blue at the hospital and that "his guy" would be driving his [SPENCE's] Nissan.

38. On or about April 12, 1994, at approximately 12:45 p.m., agents set up surveillance in the vicinity of the North General Hospital located at 121st Street and Madison Avenue, New York, New York. At approximately 1:00 p.m., agents observed TANON arrive in a gold 300-ZX Nissan with Florida license plate number BAR-938, which Department of Motor Vehicle records indicate was registered to Mary Ann Spence at 12-29 Estates Lane, Queens, New York (the "Gold Nissan"). The Gold Nissan had a New York City Fire Department placard in the window. At approximately 1:13 p.m., Rodriguez arrived in the area, exited his car carrying a weighted plastic bag, and entered the Gold Nissan. At approximately 1:15 p.m., Rodriguez exited the Gold Nissan carrying the plastic bag, which appeared significantly less weighted than when Rodriguez had first brought it into the Gold Nissan. TANON then used a cellular telephone in the Gold Nissan.

39. On or about April 12, 1994, approximately forty-five minutes after the above-described meeting, a telephone call was intercepted between Blue and Rodriguez. Blue asked Rodriguez about the guy who picked up the "one cent." Rodriguez explained that he believed that the guy who picked up the "one cent" worked for the fire department because he had a "thing in the window so he can park anywhere."

40. On or about April 12, 1994, at approximately 2:20 p.m., Bozeman called Blue and asked Blue whether the numbers worked, and whether everything went okay. Blue responded that those people were "serious" and that they worked for the fire department. Blue and Bozeman then discussed the delivery of another "C-note."

41. On or about April 12, 1994, at approximately 5:45 p.m., Bozeman called Blue, who referred to the "100 cent" given to "Dick [SPENCE]," as well as specified amounts of money given to other people.

42. On or about April 18, 1994, Valencia called Bozeman and urged Bozeman to deliver money that he owed. Bozeman responded that he had already "turned in 500" and that he would turn in "200 to 250" that week. Bozeman also told Valencia about the problems he had been having trying to reach the people to whom payment was to be made pursuant to Valencia's instructions. Bozeman told Valencia that he wanted to deliver the money to "Dick [SPENCE]." Bozeman explained that he liked "Dick [SPENCE]," because when you call Dick [SPENCE] he comes, he's got a lot of people working, you only have to call him one time and he comes."

43. On or about June 29, 1994, Blue, Rodriguez and others were indicted in the Southern District of New York for conspiring to distribute five kilograms or more of cocaine in violation of Title 21, United States Code, Section 846, and on a

substantive count of money laundering in violation of Title 18, United States Code, Section 1956. Indictment 94 Cr. 417 alleges that the conspiracy took place from in or about January 1991 up to and including the time of the filing of the Indictment, and that Blue and Rodriguez conspired to distribute narcotics with Bozeman, Valencia and others known and unknown to the Grand Jury. In addition, on or about July 19, 1994, Bozeman, Valencia and others were indicted in the Northern District of Georgia for conspiring to distribute and the distribution of five kilograms or more of cocaine in violation of Title 21, United States Code, Sections 841 and 846, and on a substantive count of money laundering in violation of Title 18, United States Code, Section 1956.

SPENCE, WEINIG and Hirsch steal at least \$2.5 million.

44. The CS has advised me that by on or about April 19, 1994, SPENCE had amassed at least \$2.5 million in narcotics proceeds that he had collected on behalf of the Organization. Rather than laundering the funds through bank accounts so that they could be remitted to the Organization's customers, SPENCE, WEINIG and Hirsch stole the money that SPENCE had amassed and split it amongst themselves. In order to explain the disappearance of the money to the other leaders of the Organization and the Organization's narcotics-trafficking clients, SPENCE, WEINIG and Hirsch created a fraudulent indictment of SPENCE and a fraudulent document purporting to reflect the seizure of the stolen money from SPENCE by the DEA.

The Organization's Activities From  
May 1994 Through November 1994

45. From in or about May 1994 through the date of the filing of this Complaint, the Organization continued to launder millions of dollars in narcotics proceeds. While the Organization successfully laundered those proceeds, however, the actual seizures by law enforcement and the fabricated seizures by certain members of the Organization began to put pressure on the Colombian leaders of the Organization. Because substantial amounts of money were being lost by the Organization's clients to actual and fabricated seizures, VALENCIA and BOTERO threatened physical harm to PETER, OCAMPO and Hirsch if additional funds were not remitted. At one point, OCAMPO's brother was kidnapped in Colombia as a result of the monies owed. Eventually, after Hirsch's life was threatened, Hirsch, WEINIG and SPENCE pooled some of the money they had stolen and remitted the money to the Organization's customers in order to relieve the threat of physical injury.

CARROLL and SPENCE discuss  
cash that CARROLL has picked up.

46. On or about May 17, 1994, at approximately 2:20 p.m., SPENCE called CARROLL at 32-03 150th Street and asked CARROLL what he had in the "packages." CARROLL replied that he had "214 and a half" in black bags, "132" in a box from Houston, "500" in a U-Haul box, and a big paisley bag with none of the money inside it counted because "it was all mixed in stacks." CARROLL also said that he had two boxes and was "without a clue" as to how much was in them. CARROLL said that he planned to "box it up" and have SPENCE "count it later." SPENCE asked CARROLL if it looked like a lot, and CARROLL replied that there were mostly "small bills." CARROLL said that there were nine boxes totalling approximately \$1 million. SPENCE said that he would call CARROLL towards the end of the week and that they would "sit down, figure out what to do." CARROLL told SPENCE that "delivery seems to be the annoying part," and that they should use a motor home. CARROLL explained that with a motor home, "if they stop you, they need a warrant to come in." SPENCE then said, "that's for sure." CARROLL responded "that's for sure . . . not that they ever stop people in motor homes anyway?" SPENCE replied "yeah, that's something that they would never really think of."

HERMAN and SPENCE discuss the Organization's business.

47. On or about May 18, 1994, at approximately 8:00 a.m., SPENCE called HERMAN and said that he had spoken to LEIFER, that LEIFER was not a problem, and that he was going to see LEIFER later that day. HERMAN said that SPENCE should tell LEIFER that SPENCE needed "five every week" and that LEIFER owed him [SPENCE] \$129,000. SPENCE replied, "I told him that." SPENCE said that he did not "want to stick around" and that he was going to be "elusive" because he had "too much stuff going." SPENCE told HERMAN that PETER still owed SPENCE "193,000" and that Hirsch told SPENCE that he [SPENCE] should "just take it off the top" of the "first package that comes in." However, "Robert" [Hirsch] told SPENCE that he [Hirsch] did not take SPENCE's "piece" out because PETER had said not to touch it. SPENCE said that he was owed from when SCHWARTZ was in Puerto Rico.

SPENCE sends SALERNO to collect money  
and SALERNO stores money at his house.

48. On or about May 19, 1994, at approximately 8:15 a.m., SALERNO called SPENCE and they discussed someone who owed SPENCE "sixty." SALERNO said that he would go with someone else to see that person, and that it would be better to go at night. SPENCE said that when he had seen the person the day before he had been nice, but that he was no longer going to be a nice guy. SPENCE then explained that things had come to the point where SALERNO would have to go see the person.



49. On or about May 19, 1994, at approximately 8:32 a.m., SPENCE called Isaac Schwartz and identified himself as "Charlie." SPENCE said that he had two people coming to see Schwartz that day, and that "the two guys that are coming down are a lot different than I am . . . I have no control over certain things." SPENCE advised Schwartz to give him "sixty in green."

50. On or about May 21, 1994, at approximately 9:52 a.m., SALERNO called SPENCE and said that he had the bag for SPENCE in his house. SPENCE told SALERNO to drop it off at his [SPENCE's] house [207-19 Melissa Court]. SPENCE said that he wanted to "count it up and, you know, put it in the bank."

Jane Doe No. 1 and SPENCE discuss receiving calls from "Spanish guys".

51. On or about May 21, 1994, at approximately 10:04 a.m., SPENCE called Jane Doe No. 1 at 431 East 165th Street<sup>7</sup> and said that if "Spanish guys" call looking for him, Jane Doe No. 1 should get a beeper number or telephone number where he could contact them. SPENCE told Jane Doe No. 1 that they do not like to leave telephone numbers but that she should try to find out if they were calling from Los Angeles, Houston, or New York. SPENCE said that Jane Doe No. 1 could beep him or provide them with his beeper number.

SPENCE, DILLUVIO and Hirsch discuss transferring funds.

52. On May 25, 1994, at approximately 10:56 a.m., SPENCE called Hirsch and said that he could transfer funds directly to Hirsch without the source of the funds being traced. SPENCE explained that "all it will show is a deposit coming in, it doesn't, it won't even show anything," to which Hirsch replied "perfect." SPENCE said that he would "take care of the wire," that Hirsch should not "mention it to Harvey [WEINIG]," and that "he'll [WEINIG] think it came from the other place." Hirsch said that "they" were asking what had happened in "Allegra" [Los

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<sup>7</sup> The CS advised me that in or about the Spring of 1994, SPENCE gave Hirsch a handgun to use for Hirsch's protection. In addition, the CS advised me that SPENCE gave Hirsch a blank birth certificate and said that Hirsch might need it one day.

<sup>1</sup> The CS advised me that he has been to 431 East 165th Street on several occasions, and that SPENCE keeps a money counting machine on the premises. In or about April 1994, the CS saw SPENCE and TANON counting large amounts of cash in an office on the second floor of 431 East 165th Street. At that time, SPENCE told the CS that he stored cash inside the walls of 431 East 165th Street.

Angeles] and asked SPENCE if he had heard anything. SPENCE said that he had spoken with HAYDEN and that HAYDEN had not heard anything. Hirsch said that "he" asked me what was going on there [Los Angeles], and SPENCE said that he [HAYDEN] had not heard yet because the guy had not called him. SPENCE explained that "what they normally would do on this when they do drop off for him . . . he's going to call you and let you know what he dropped."

53. On or about May 25, 1994, at approximately 11:05 a.m., SPENCE called DILLUVIO<sup>9</sup> at the Morris Park Citibank and said that he wanted to transfer money from one Citibank account to another Citibank account. SPENCE asked whether his lawyer would know if the money came from SPENCE's Transglobal Account, and DILLUVIO replied that the lawyer would not know, but that he could not wire money from one Citibank account to another Citibank account. DILLUVIO said that SPENCE could make a deposit from one Citibank account to another. SPENCE said that he wanted to deposit \$275,000 in his lawyer's account, and told DILLUVIO "I owe you big, believe me when I tell you that." SPENCE said, "you know what I'll do for you Patty . . . instead of sending you someplace, I'll just give you a nice little thank you gift." SPENCE then said that this would be his token of appreciation and that he wanted DILLUVIO to advise him "how I gotta' do it" because he did not "want to have any problems, you know what I mean." SPENCE said that when he saw DILLUVIO in person he would discuss it with her. SPENCE then asked whether this [\$275,000 transfer] would be "taken care of," and DILLUVIO replied "275" into his account [Hirsch Weinig firm account], "no problem."

SPENCE and Hirsch discuss a Citibank deposit  
and cutting HERMAN out of the Organization's business.

54. On or about May 25, 1994, at approximately 11:18 a.m., Hirsch called SPENCE, who confirmed that \$275,000, had been deposited into Hirsch's account. Later in the conversation, Hirsch said that HERMAN was "destroying our income earning potential here." Hirsch explained that HERMAN could not "manage to get \$120,000 to the right location in two and a half weeks." Hirsch said that of the ".4" [\$400,000] they picked up about three weeks earlier, of which they had given "3-7" to HERMAN, only \$80,000 had gotten through. Hirsch said that HERMAN was "ruining income, you know, you know, every time he fails to effect one of these wires, right, we're losing \$10,000 a piece." SPENCE said that Hirsch should talk to PETER about it.

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<sup>9</sup> The CS advised me that SPENCE had said in or about February 1994, that he had a "girl" in Citibank. SPENCE said that she was an assistant manager and that he [SPENCE] "took care of her."

SPENCE tells SALERNO how he threatened someone.

55. On or about May 31, 1994, at approximately 9:25 a.m., SALERNO called SPENCE and asked about "the curlies." SPENCE said that he had gone down there to get the other "ten," and that he had to threaten them. SALERNO asked why SPENCE did not call him, and SPENCE replied that he grabbed the guy, threw him in the car and told the guy's brother-in-law that he could call the police, "but one way or another" he was going to walk out of there with ten. SPENCE asked whether SALERNO still had that "shit" in his [SALERNO's] basement, and SALERNO said that he did. SPENCE also said that LEIFER owed him "129" [\$129,000].

56. On or about June 2, 1994, at approximately 10:12 a.m., SPENCE called CHRISTOV at 100 Wilshire Boulevard, Suite 1620,<sup>10</sup> and asked how much was sent. CHRISTOV replied that "Donald" [HAYDEN] had taken a look at it and that it was going to be "a nightmare" because the money was mixed with stacks of fifties, twenties, tens, fives and even ones." CHRISTOV said that this was the weirdest one he had seen. SPENCE said that the package was supposed to be \$250,000, that they should take twenty five [\$2,500] for themselves, and that he would take a look at it when the package arrived in New York. SPENCE said that CHRISTOV should make sure that the package was sent out right away so that he [SPENCE] could deposit it in the bank the next day. SPENCE said that the other person's box should be "one hundred thousand even," that CHRISTOV should take \$1,000 from that box, and that CHRISTOV should also send that box out that day.

57. On or about June 2, 1994, at approximately 10:19 a.m., DILLUVIO called SPENCE at the Morris Park Citibank and said that she got the information. SPENCE asked if it looked good, and DILLUVIO replied that did and spelled the name of the account. SPENCE said that "you never know what you are going to get when you deal with these Spanish people," and DILLUVIO laughed. SPENCE told DILLUVIO that he would call the next day because he would also have "stuff" the next day. SPENCE asked DILLUVIO if "one hundred" or "two" would be a problem, to which DILLUVIO replied that she would check, but that she did not think so. SPENCE told DILLUVIO that he would give her whatever she could take.

58. On or about June 3, 1994, at approximately 10:27 a.m., SPENCE called CHRISTOV at 100 Wilshire Boulevard, Suite 1620, and asked if he sent the money out. CHRISTOV responded that the first two packages were sent in the morning and that "your friend's" package went out at about 5:00 p.m. CHRISTOV

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<sup>10</sup> An agent has been to 100 Wilshire Boulevard, Suite 1620, and observed that the sign on the door to Suite 1620 bears the names "Laidlaw Holding Inc." and "Consul Bulgaria."

said that he counted the money and then placed the money back in the box. SPENCE asked if there was \$100,000 in the package, and CHRISTOV replied that there was.

SPENCE and Hirsch discuss their share of a transaction.

59. On or about June 3, 1994, at approximately 11:35 a.m., SPENCE called Hirsch and said that he had received his package. Hirsch asked SPENCE if he could make sense of it, and SPENCE replied that it was a disaster but that it looked like "350." SPENCE said that he wanted to get "it" into the bank later that day. SPENCE and Hirsch discussed what "number" to give "them," and charging "them" a fee of "6-points." SPENCE and Hirsch then calculated that their fee was "21," and that they would send through "325." Hirsch said that he would "tell them by next week, it'll be in the mountains" [sent to the WEINMANNs]. SPENCE said that he would leave "10" in an envelope for Hirsch to pick up later that evening.

60. On or about June 3, 1994, agents conducting surveillance at 431 East 165th Street observed Hirsch arrive at approximately 6:30 p.m. and leave at approximately 6:40 p.m.

SPENCE offers SALERNO's services to collect monies owed.

61. On or about June 3, 1994, at approximately 11:45 a.m., SPENCE called Isaac Schwartz. During the conversation, SPENCE answered to the name "Charlie." Schwartz asked SPENCE whether he had someone available to threaten the wife of someone who owed Schwartz a million dollars, to which SPENCE replied that SALERNO would do it. Schwartz told SPENCE to have SALERNO threaten the wife when her husband would be at temple on Saturday. Schwartz then asked whether SALERNO could bring some other big guys with him, and asked whether SALERNO would bring "something" to show the wife. SPENCE said that SALERNO always walked around with "something," and Schwartz responded that "it should be visible." SPENCE said that SALERNO would contact Schwartz.

KALANZ stores cash in his locker at the 48th Precinct.

62. On or about June 3, 1994, at approximately 11:57 a.m., SPENCE called KALANZ on and said that he could not put anything in the bank. SPENCE asked KALANZ if he could put it in his [KALANZ's] locker. KALANZ said that it would be safe in his locker, and asked SPENCE if it was in one box. SPENCE said that he would put it in one suitcase. KALANZ said that his locker was as big as a refrigerator, that it would fit a suitcase, and that he would pick up the package at around 2:00 p.m.

63. On or about June 3, 1994, at approximately 2:11 p.m., agents conducting surveillance observed KALANZ arrive in

the vicinity of 431 East 165th Street, in a red Nissan bearing New York license plate "U-tool" (the "Red Nissan"). At approximately, 2:20 p.m., agents conducting surveillance observed KALANZ arrive at the NYCPD 48th Precinct Building, Bronx, New York in the Red Nissan. KALANZ exited the Red Nissan, and was seen entering the 48th Precinct building with a large black shoulder bag ("Bag-1"), which appeared to be heavy and weighted.

SPENCE gives LEIFER instructions and they discuss HERMAN.

64. On or about June 3, 1994, at approximately 1:19 p.m., SPENCE called LEIFER and said that he was holding "the stuff" rather than putting it in the bank. SPENCE gave LEIFER his personal bank account number and told LEIFER to use that account if LEIFER did anything while SPENCE was away. SPENCE said that HERMAN had been making a lot of waves and that he [LEIFER] should not tell HERMAN anything. SPENCE said that HERMAN was mad because he [HERMAN] was being pushed out and was not getting any of the "stuff" [money].

SPENCE and Hirsch discuss future plans for business.

65. On or about June 3, 1994, at approximately 1:30 p.m., Hirsch called SPENCE and they agreed that Hirsch would leave information for wiring money to the account [the WEINMANN's account] with EZELL. SPENCE also said EZELL had Hirsch's package. Hirsch said that he would give "Harvey [WEINIG] some spending money," and SPENCE said that he would not "tell him anything, just give it to him." Hirsch said that if SPENCE sent money to Shulum [SHULUM WEINMANN] "nobody ever knows where it came from anyway." SPENCE said that the phone number he had given Hirsch was only "for people who I'm going to get stuff from," and that he did not want any other contacts or confirmations. Hirsch said that he understood -- "only when someone had a delivery to make," and SPENCE said, "that's it." Hirsch said that from then forward they should not do "less than twenty."

KALANZ stores another suitcase in his locker at the 48th Precinct and then brings two suitcases to the bank.

66. On or about June 6, 1994, at approximately 10:28 a.m., SPENCE called EZELL at 431 East 165th Street and SPENCE asked whether EZELL had put "that" in the bank that morning, and EZELL replied that she had. SPENCE told EZELL to call "Mike the Cop" [KALANZ] to determine whether he was on the way down with the suitcase. EZELL asked SPENCE if KALANZ had it, to which SPENCE replied that KALANZ had put it in his locker at work. SPENCE said that KALANZ would bring a suitcase directly to DILLUVIO at Citibank and that the suitcase contained "400" [\$400,000]. SPENCE asked EZELL to call KALANZ to see whether he

could pick up another suitcase, and to call DILLUVIO to inform her about these cash deliveries.

67. On or about June 6, 1994, at approximately 10:46 a.m., DILLUVIO called EZELL at the Morris Park Citibank and EZELL asked whether DILLUVIO could take it all. DILLUVIO replied that they would take the whole \$700,000 because they were doing a shipment on Wednesday. DILLUVIO then said that it would "take all friggin' day to count that kind of money."

68. On or about June 6, 1994, at approximately 10:47 a.m., EZELL called KALANZ and said that the bank could not take anything from "us" that day but that DILLUVIO could take everything at the bank the next day. EZELL then asked KALANZ whether she should meet him in front of the bank the following morning. KALANZ asked what time the "second thing" was supposed to arrive because he wanted to put that in the "precinct" [48th Precinct Building] as well.

69. On or about June 6, 1994, at approximately 1:42 p.m., agents conducting surveillance observed KALANZ arrive in the vicinity of 431 East 165th Street in the Red Nissan. At approximately 2:33 p.m., agents saw KALANZ arrive at the NYCPD 48th Precinct Building, Bronx, New York in the Red Nissan. KALANZ exited the Red Nissan and removed a large bag from the trunk. The bag was a large, dark bag with a design ("Bag-2"), and appeared to be weighted. About 10 minutes later, KALANZ entered the 48th Precinct building with Bag-2.

70. On or about June 7, 1994, at approximately 8:17 a.m., agents conducting surveillance observed KALANZ exit the 48th Precinct Building, Bronx, New York, carrying Bag-1 and Bag-2. KALANZ placed Bag-1 and Bag-2 in the trunk of the Red Nissan, entered the car, and left the area. At approximately 8:29 a.m., agents observed KALANZ park in front of the Morris Park Citibank. Several minutes later, KALANZ removed Bag-1 and Bag-2 from his trunk, closed the trunk and entered the bank with Bag-1 and Bag-2. At approximately 8:36 a.m., agents observed KALANZ exit the bank without Bag-1 and Bag-2, enter the car, and depart.

SPENCE gives EZELL instructions concerning \$1.1 million.

71. On or about June 8, 1994, at approximately 4:55 p.m., SPENCE called EZELL and asked whether she had gotten hold of KALANZ, to which EZELL replied that she had. SPENCE then said that there should be five packages containing \$1.1 million. SPENCE instructed EZELL that when "Mike" [KALANZ] arrived, she should put them in suitcases with the deposit slips and send them where they had to go.

KALANZ counts money at 431 East 165th Street.

72. On or about June 9, 1994, at approximately 12:48 p.m., SPENCE called KALANZ at 431 East 165th Street and asked how much KALANZ had there [431 East 165th Street]. KALANZ replied that he brought "516" [\$516,000] and that he was "counting a little bit of assorted stuff." Later in the conversation, KALANZ said that there were a "couple of bundles" that he had broken down and was counting at that time.

Jane Doe No. 1 and SPENCE discuss a \$500,000 shipment.

73. On or about June 17, 1994, at approximately 7:52 a.m., SPENCE called Jane Doe No. 1 and asked her to have EZELL call DILLUVIO at the bank because there was a shipment of "500" [\$500,000] expected for the coming Monday.

SPENCE, JANZ, EZELL Jane Doe No. 1 and DILLUVIO coordinate laundering cash sent via Federal Express and cash picked up by SALERNO.

74. On or about June 17, 1994, at approximately 3:15 p.m., SPENCE called JANZ and said that a package would be arriving the next day from Federal Express. SPENCE said that JANZ should keep an eye on the package because there was money in it, and that he [SPENCE] would tell JANZ what to do with the money.

75. On or about June 18, 1994, at approximately 1:40 p.m., SPENCE called JANZ at 431 East 165th Street and asked whether his package had arrived, and JANZ replied that it had arrived in a Federal Express Box. SPENCE told JANZ to "open it up, put the stuff in a bag, and take it home with you, and bring it in with you on Monday." SPENCE said that "it should be one hundred thousand." Later in the conversation, SPENCE said that JANZ should "open those things up, just make sure no one's around when you open the box up."

76. On or about June 20, 1994, at approximately 8:02 a.m., SPENCE called Jane Doe No. 1 at 431 East 165th Street. Jane Doe No. 1 explained that SALERNO had brought a box in a shopping bag to Light Trucking [431 East 165th Street] earlier that morning and that they had put it by EZELL's desk. SPENCE told Jane Doe No. 1 that TANON could take a ride with EZELL to the bank. Later in the conversation, SPENCE told Jane Doe No. 1 that JANZ had \$100,000 and that Jane Doe No. 1 should have EZELL make a Transglobal Account deposit with that money. SPENCE said that the other bag contained \$294,000, which should also be deposited as soon as possible into the Transglobal Account.

77. On or about June 20, 1994, at approximately 9:45 a.m., EZELL called DILLUVIO at the Morris Park Citibank and said

that she had \$394,000 to bring to the bank, to which DILLUVIO replied, "that's what he [SPENCE] said."

78. On or about June 20, 1994, at approximately 11:16 a.m., agents conducting surveillance observed EZELL and JANZ leave 431 East 165th Street in JANZ's white Ford Bronco. At approximately 11:35 a.m., JANZ and EZELL arrived at the Morris Park Citibank. EZELL carried a bulky plastic bag into the bank followed shortly thereafter by JANZ who carried a large shopping bag that appeared to contain a box into the bank. EZELL and JANZ left the bank separately. JANZ left the bank empty handed, and EZELL no longer had a bulky plastic bag.

79. On or about June 20, 1994, at approximately 12:22 p.m., SPENCE called Jane Doe No. 1 at 431 East 165th Street. Jane Doe No. 1 said that they [EZELL and JANZ] would be back in fifteen minutes. SPENCE said that he wanted to make sure everything went alright, and Jane Doe No. 1 said that everything went alright.

SPENCE asks EZELL to coordinate transactions with DILLUVIO and KALANZ.

80. On or about June 21, 1994, at approximately 2:57 p.m., SPENCE called EZELL at 431 East 165th Street and said that he might have "500" being dropped off the next day. SPENCE asked EZELL to call DILLUVIO to ask her if she could take it. In the alternative, SPENCE told EZELL to ask KALANZ if he could put it in his locker. EZELL asked SPENCE what time, to which SPENCE replied that SALERNO would probably drop it off early if he picked it up that night. In addition, SPENCE instructed EZELL to put \$13,000 from "Trans" [the Transglobal account] into the "745 Corp. Account." SPENCE also said that he would have some other deposits, but that he would take care of them himself. SPENCE asked EZELL to have KALANZ call him the next day regarding the pick up of some cash in Queens.

81. On or about June 22, 1994, at approximately 9:18 a.m., SPENCE called Jane Doe No. 1 at 431 East 165th Street. SPENCE said that SALERNO was coming with a package of about "500" [\$500,000] and that EZELL was supposed to call the bank and knew what to do with it. SPENCE then spoke with JANZ and said that SALERNO was bringing a package for EZELL to be put in the bank.

The DEA's Miami Investigation: SPENCE meets a confidential informant to pick up \$425,000 and gets stopped by the Police.

82. Since in or about March 1994, the DEA in Miami, Florida has been investigating John Doe No. 1 for the importation and distribution of cocaine in violation of Title 21, United States Code, Sections 841 and 846. For several months, John Doe



No. 1 negotiated the sale of 100 kilograms of cocaine to two confidential informants ("CI-1" and "CI-2") and an undercover agent ("UC") working with the DEA in Miami.

83. On or about June 21, 1994, John Doe No. 1 finalized negotiations for the sale of 50 kilograms of cocaine to CI-1, CI-2, and UC, (collectively the "Undercovers"). John Doe No. 1 insisted on receiving \$850,000 before he would deliver any cocaine, and negotiated for two payments of \$425,000 on consecutive days, to be followed by the delivery of the cocaine on the third day. John Doe No. 1 told CI-1 that he would provide a telephone number for the person to whom the Undercovers could make their payments for the cocaine.

84. On or about June 21, 1994, CI-1 spoke to John Doe No. 1, who provided CI-1 with a cellular telephone number that telephone records indicate was registered to Robert Hirsch, and said that the person whom CI-1 spoke to on the cellular telephone would be responsible for picking up the payment on behalf of John Doe No. 1. In addition, John Doe No. 1 gave explicit instructions that the person who placed the telephone call to Hirsch's cellular telephone should use the password "Juan Guillermo" [OCAMPO].

85. On or about June 23, 1994, CI-1 called Hirsch, who CI-1 referred to as "Charles." CI-1 said that Juan Guillermo needed a telephone number in Miami for some "receipts." Hirsch asked where "the merchandise" that needed to be picked up was, and UC replied "Miami."

86. On or about June 23, 1994, CI-1 and CI-2 called Hirsch, who again answered to the name "Charlie." During the conversation, Hirsch gave CI-2 a telephone number that telephone records indicate was registered to SPENCE at his Florida address. CI-2 asked Hirsch what "his" name was, to which Hirsch responded: "just tell him you're from, uh, Roberto . . . he'll talk with you, he'll set it up."

87. On or about June 23, 1994, CI-1 and UC called the number that Hirsch provided and spoke to SPENCE. During this conversation, UC and SPENCE arranged a time and place for the payments to be delivered to SPENCE.

88. On or about June 23, 1994, SPENCE met with CI-1 in the parking lot of a Burger King Restaurant in Florida. CI-1 told SPENCE that CI-1's car contained \$425,000, which was the first of the two payments. (In fact, CI-1's car did not contain \$425,000.) At the meeting, SPENCE and CI-1 exchanged cars: SPENCE departed in CI-1's rental car and CI-1 departed in SPENCE's 560 SEL Mercedes. Shortly after leaving the Burger King in CI-1's rental car, SPENCE was stopped by Local Police Officers for a minor motor vehicle infraction. SPENCE was subsequently

interviewed by local police officers and the DEA. On both occasions, when asked about the \$425,000 purportedly in the car, SPENCE said that he obtained the money from a Hasidic Jewish businessman at a nearby condominium complex, and that he handled a lot of cash in his business. DEA Agents gave SPENCE a receipt for CI-1's rental car and for "two boxes containing an undetermined amount of currency" (the "Receipt"). SPENCE was then released.

89. In subsequent conversations between John Doe No. 1 and CI-1, John Doe No. 1 stated that SPENCE was going to send John Doe No. 1 a receipt that would prove that the money was really seized and not stolen by SPENCE. John Doe No. 1 also stated that once he received a receipt he would send it to the Undercovers. A review of a facsimile copy of the receipt that John Doe No. 1 sent to the Undercovers revealed the following that (i) on or about June 24, 1994, at approximately 12:17 p.m., the offices of Hirsch Weinig sent the Receipt by facsimile transmission to John Doe No. 1, and (ii) on or about June 25, 1994, at approximately 12:53 a.m., John Doe No. 1 sent the Receipt by facsimile transmission to the Undercovers.

90. On or about June 25, 1994, SPENCE filed an offense incident report with the Fort Lauderdale Police Department. In the report, SPENCE claimed that he parked his 560 SEL Mercedes on June 23, 1994, and that when he returned to retrieve the car two days later, it was missing.

The June 1994 Zurich, Switzerland meeting.

91. The CS advised me that on or about June 28 through on or about June 30, 1994, PETER, LEON SHULUM WEINMANN, RACHEL WEINMANN, Hirsch and others met in Zurich, Switzerland. At these meetings, Hirsch -- on behalf of PETER -- asked LEON SHULUM WEINMANN and RACHEL WEINMANN to extend PETER credit. The CS advised me that during these meetings, LEON SHULUM WEINMANN and RACHEL WEINMANN had \$3,000,000 worth of Italian Lira in a safe in their home.

SALERNO tells SPENCE how SALERNO avoided arrest.

92. On or about July 1, 1994, at approximately 10:11 a.m., SALERNO called SPENCE and said that he squeezed "Sofa" and was going to squeeze "Bernie." SALERNO said that he had all the bad checks belonging to "Moses, Sofa, Bernie and Phil," and that these bad checks got him out of "a charge" of strong-arming Sofa. SALERNO said that the police were called and would have arrested him if he did not have the bad checks. In addition, SALERNO said that he would like to have beaten "this guy," but Bernie owed him \$1 million. SALERNO said that he was going to receive a shipment of something, and SPENCE told SALERNO to watch himself.

SPENCE, CARROLL and Hirsch  
launder \$1 million in Canadian currency.

93. On or about July 1, 1994, at approximately 2:05 p.m., SPENCE called Hirsch and they discussed \$1 million in Canadian currency. SPENCE said that he thought it could be put into the bank here [New York]. SPENCE said that he would get rid of it and wire the whole thing up.

94. On or about July 1, 1994, at approximately 3:11 p.m., SPENCE called CARROLL and asked how many boxes CARROLL had with "that stuff." CARROLL said that he had five "Fed Ex" [Federal Express] boxes, and that there was \$980,000 Canadian. SPENCE asked what the other stuff was, to which CARROLL replied that there were nineteen one-thousand dollar Swiss bank notes to bring the total to the equivalent of one million Canadian dollars. SPENCE asked how much of the other stuff CARROLL still had, and CARROLL replied that he had approximately \$130,000. SPENCE then discussed CARROLL's expenses and fees for his trip to Canada, and told CARROLL to take \$5,000. SPENCE said that he wanted to come by and pick up the cash and the Canadian stuff because he [SPENCE] had an appointment with the bank on Tuesday morning.

95. On or about July 5, 1994, at approximately 10:17 a.m., SPENCE called Hirsch and said that he "put in the Canadian stuff." Hirsch asked how it had gone, to which SPENCE replied that he had to have an armored car service pick up the money from the bank and take it to a "special bank that handles foreign currency."

SPENCE and Hirsch discuss a pick-up in Canada, HERMAN,  
OCAMPO, PETER, the Houston seizures, and wiretaps.

96. On or about July 7, 1994, at approximately 11:37 a.m., SPENCE called Hirsch and said that he had just spoken to "the guy up north [in Canada]." SPENCE said that his guy was supposed to be meeting with her at 1:30 p.m., and that she could not be late because his guy had to catch a flight at 2:30 p.m. SPENCE explained that this would work out better than they expected because it could be executed by wire transfer rather than handling it "thirty times." Hirsch said that he thought PETER was not paying for the merchandise in a timely fashion, and SPENCE said that he had the same impression from "L.A." SPENCE then said he wanted to ensure that OCAMPO knew what was going on, and Hirsch said that he had just told OCAMPO that he was having a problem because PETER was not paying people in a timely fashion. SPENCE asked what had happened to the "50" that Chaim [HERMAN] had, to which Hirsch replied that HERMAN had sent "46" the previous week, but that he [HERMAN] was out of the picture. Hirsch said that if they could work without PETER, it could be very professional. SPENCE said that it would be great if OCAMPO

gave Hirsch all the information, and Hirsch responded that was what he [Hirsch] was headed towards. Hirsch said that he received a copy of a transcript of "a probable cause hearing that took place in Houston, Texas." Hirsch explained that the reason the transcript was "important, is because it speaks to the issue that there were, in February, there were wiretaps on some of these people." Hirsch said that the DEA could not tie SALERNO, BRUNO and SCHWARTZ to "these people," which Hirsch said was "a good thing." Hirsch said that they should "always be suspect of wiretaps going on, on the other end."

SPENCE and Hirsch arrange for  
TANON to make a pick-up in Canada.

97. On or about July 7, 1994, at approximately 1:36 p.m., Hirsch called SPENCE and said that he had heard from "Sophie, our woman, you know, the one from up there [Canada]." Hirsch said that she [Sophie] was extremely apologetic, and that he told her that they would not send a guy until she was "totally ready, boxed up and ready to move." Hirsch said that she [Sophie] explained to him that she would be completely ready the next day. SPENCE said that it was a quick flight and that he would send TANON.

98. On or about July 8, 1994, at approximately 9:05 a.m., Sophie called SPENCE at 431 East 165th Street and said that she was ready. SPENCE asked if Sophie would be ready, and she replied that she would. SPENCE asked Sophie if she was "100% sure," and Sophie said that she was. SPENCE said that his guy [TANON] would be at the "Westin Montreal on Sherbert Street" and said that the room would be registered in the name "Peter Thomas."

PETER and Hirsch discuss missing money.

99. On or about July 8, 1994, at approximately 12:47 p.m., PETER called Hirsch and they discussed<sup>11</sup> an accounting discrepancy. Hirsch said that he would check his paperwork and come up with exact figures. PETER said that exact figures were necessary because he (PETER) was missing a "container." PETER reiterated that he was missing over \$1 million and said that "if someone holds \$40,000, they are ready to kill him."

TANON picks up money in Canada and sends it to SPENCE and JANZ at 431 East 165th Street via Federal Express.

100. On or about July 8, 1994, at approximately 1:22 p.m., Hirsch called SPENCE and asked if he had heard from

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<sup>11</sup> Most of the conversations between PETER and Hirsch referred to herein were conducted primarily in Hebrew.

Montreal. SPENCE said that he had TANON up there.

101. On or about July 8, 1994, at approximately 1:35 p.m., TANON called SPENCE and said that he was in the hotel. Further investigation has revealed that TANON was staying in the Westin Mont-Royal Hotel in Montreal, Canada. SPENCE told TANON to call him [SPENCE] when he had a moment, but that as soon as TANON got "it" he should make sure that "they're in there good and tight."

102. On or about July 8, 1994, at approximately 3:42 p.m., SPENCE called TANON and said that he had spoken with Sophie, who was on the way. SPENCE said that TANON should hide the boxes from Sophie because they did not want her to know what TANON was doing with the money. SPENCE instructed TANON to put all the money in boxes and send it by Federal Express to "Light Trucking" [431 East 165th Street]. SPENCE told TANON that if all the money did not fit, he should put the rest of it in a hotel laundry bag.

103. On or about July 8, 1994, at approximately 5:53 p.m., TANON called JANZ, who said he wished he could have done the Canadian trip. TANON said that JANZ should have SPENCE call him and that JANZ should tell SPENCE that the mission had been accomplished.

104. Federal Express records indicate that on or about July 8, 1994, three packages were sent from "Peter Thomas, Westin Mont. Royal" in Montreal, Canada to "Light Trucking, 431 East 165th Street, Bronx, New York." Each of the three packages weighed between approximately 15 and 16 pounds, and were received at Light Trucking on or about July 9, 1994, at approximately 11:18 a.m.

105. On or about July 9, 1994, at approximately 11:54 a.m., TANON called a person at 431 East 165th Street and asked if everything had arrived. The person replied that it had. TANON said that he would be leaving Canada at about 3:00 p.m.

Two of the Organization's Couriers are arrested in Italy.

106. On or about July 8, 1994, the Carabinieri, the Italian Federal Police (hereinafter the "CBI") arrested five people for the distribution of narcotics and seized eighty (80) kilograms of cocaine base, as well as chlorine-hydrate and other substances used for processing cocaine, in Italy. The CBI learned from the people arrested that the cocaine base was supposed to be sold in Italy, and arrangements to pick up the money were to be made with PETER.

107. Based on the information obtained from those arrested in Italy, the CBI had an undercover agent call PETER on

the telephone to arrange the transfer of the payment money for the 80 kilograms of cocaine base. After a time and place was agreed upon, two money couriers arrived at a hotel in Italy where they were arrested.

108. The Bundeskriminalamt, the German Federal Police (hereinafter the "BKA"), interviewed the two money couriers, who said that PETER had recruited them to transport money from European countries to Germany. The two money couriers also reported that in the past, they had made approximately twenty-five (25) trips to pick up money from cities throughout Europe, including Milan, Rome, Barcelona, Madrid, and Amsterdam, and that they had always used aliases and always met the people they picked up the cash from in hotel rooms. The two money couriers stated that they always received the hotel room information and the aliases to use from PETER, and that after making each pick-up, they had delivered the money (via car) to the WEINMANNs.

PETER and Hirsch discuss Italy and  
argue about money sent to SHULUM WEINMANN.

109. On or about July 11, 1994, at approximately 9:38 a.m., PETER called Hirsch and said that something urgent had happened in Italy. Hirsch asked what was going on, and PETER responded that he would explain it later. PETER asked Hirsch if he checked everything, and Hirsch replied that he had to go to the office to check. PETER and Hirsch then argued about whether "something" was sent to "Shulum" [WEINMANN]. Hirsch insisted that it had been sent, and PETER insisted that it had not been.

SPENCE and Hirsch arrange a pick-up in Puerto Rico.

110. On or about July 11, 1994, at approximately 11:16 a.m., John Doe No. 2, called Hirsch, who asked John Doe No. 2 where he was, to which John Doe No. 2 responded "Puerto Rico." Hirsch said that he was going to send someone down and asked how much "merchandise" John Doe No. 2 had, to which John Doe No. 2 responded "a lot, a lot, a lot." Hirsch asked John Doe No. 2 if he wanted to give Hirsch one container, to which John Doe No. 2 responded "I think I have close to it, maybe I have seven or eight hundred, something like that." John Doe No. 2 told Hirsch to call him at the "store," and provided a telephone number in Puerto Rico.

111. On or about July 11, 1994, at approximately 11:18 a.m., Hirsch called SPENCE and said that "we have some stuff that has to be delivered down where SCHWARTZ had a problem [Puerto Rico], you know, you have been there recently." SPENCE asked, "which one, there was two of them?" Hirsch said that it was the first problem where they could not find the bag [the October 6, 1993 incident with SCHWARTZ in Puerto Rico], and SPENCE indicated that he understood. Hirsch said, "they're ready" and "they want

us to send someone down today if possible." SPENCE said that he was sending someone at that moment.

112. On or about July 11, 1994, at approximately 1:31 p.m., SPENCE called Hirsch and said that his guy [CARROLL] would be going Wednesday morning, that he would arrive in the afternoon. SPENCE also stated that he [CARROLL] would be staying at the same place that he had always stayed. SPENCE further stated that he had received the stuff from "up north" and had to make arrangements to get "it" to Long Island. SPENCE explained that "it" it was four hundred, two hundred new and two hundred old.

HERMAN and SPENCE discuss putting money in the bank.

113. On or about July 11, 1994, at approximately 3:01 p.m., LEIFER called SPENCE at 431 East 165th Street, and said that there was "450" in the bank and that SPENCE should determine whether the money showed up in the morning. SPENCE then said that he had spoken to a girl at the bank and that everything was fine. SPENCE said that he had a big package arriving on Wednesday, and asked LEIFER how much money LEIFER owed SPENCE, to which LEIFER responded "155." SPENCE and LEIFER then discussed depositing money in Chemical Bank, and SPENCE asked LEIFER to call as soon as LEIFER knew what was going on.

PETER and Hirsch discuss money seizures and money owed.

114. On or about July 12, 1994, at approximately 6:31 p.m., PETER called Hirsch, who said that he had to finish papers involving seizures. PETER asked Hirsch if it was obvious that there was a "connection," and Hirsch responded that it was. PETER said, "that means our situation down there is not good," and asked, "could they prove we've been in touch?"

115. On or about July 12, 1994, at approximately 9:56 a.m., PETER called Hirsch, who said that PETER had lied, that he [Hirsch] knew exactly how much had been sent, and that it was impossible for PETER to be missing one and one-half containers. When PETER asked how that was possible, Hirsch said that he had all the information in front of him and that he would fax a copy of the transfers.

SPENCE gives CARROLL instructions regarding a money pick-up in Puerto Rico.

116. On or about July 12, 1994, at approximately 10:19 a.m., SPENCE called CARROLL and said that it was "the guy who owns the stores." SPENCE explained that he was the same person who had met CARROLL before, and that he was going to meet CARROLL again at the same place. SPENCE provided CARROLL with a telephone number and said that "he" would pick up CARROLL and

that he was supposed to have "one container," and possibly a second "container" the following day.

SPENCE, OCAMPO and Hirsch discuss a transfer of \$465,000 and SPENCE's numbers for June 1994.

117. On or about July 12, 1994, at approximately 2:23 p.m., SPENCE called Hirsch and said that the "thing" had been wired out on June 24, 1994 for \$465,000. SPENCE said that the account [Transglobal] was supposed to be closed, and Hirsch said that he would make it look like a wire transfer so that no one would know where it came from. SPENCE said that Hirsch should watch himself, and Hirsch said that he knew to be careful because it was a Transglobal account. Hirsch said that he was going to send the amount of the transfer and the confirmation. SPENCE said that \$465,000 went to Switzerland on the 22nd and that was what he [PETER] received.

118. On or about July 12, 1994, at approximately 3:20 p.m., SPENCE called Hirsch and said that Hirsch should call the Shulum [WEINMANNS'] account to eliminate the problem by asking Shulum when he received it [the \$465,000]. SPENCE explained that Shulum [WEINMANN] should have received "it" because it was shipped. SPENCE said that he had one for "465," "695," "970," "15,130," "141,835," and "40,688" in the month of June. Hirsch said that they had two big ones, and SPENCE replied that they were deposited separately and that they had deposit slips for them. SPENCE said that he had his book and had copies of "these," and that his book confirmed what PETER had received. SPENCE also stated that PETER had tried to confuse Hirsch, and that is why SPENCE needed to keep his book.

119. On or about July 13, 1994, at approximately 11:22 a.m., OCAMPO called Hirsch, who told OCAMPO to stay in a hotel in Frankfurt [Germany] that had a fax machine. Hirsch said that he would fax OCAMPO all of the transfers since May 10th and mentioned that PETER had said that "the mountains" had never received the transfer for "465 thousand."

CARROLL makes a pick-up in Puerto Rico.

120. On or about July 13, 1994, agents conducting surveillance in New York observed CARROLL board an American Airlines flight to San Juan, Puerto Rico. Once in Puerto Rico, CARROLL was picked up at the airport by John Doe No. 2, who was driving a Burgundy Mitsubishi. At approximately 2:18 p.m., CARROLL and John Doe No. 2 went to an apartment complex in Santruce, Puerto Rico. At approximately, 2:24 p.m., CARROLL and an unknown male left the apartment complex in a blue van. At approximately 3:29 p.m., the unknown male dropped off CARROLL at the Hyatt Dorado Beach Hotel in Dorado Beach, Puerto Rico.



121. On or about July 13, 1994, at approximately 3:52 p.m., CARROLL called 431 East 165th Street and left SPENCE a message that he had arrived safely and that he had received "all the parts."

122. On or about July 14, 1994, at approximately 11:11 a.m., SPENCE called Hirsch and said that he had just talked to "Danny" [CARROLL] and that he had just picked up one container. Hirsch said that they were going to get it back and transfer it quickly and directly because they had not been paid on time in the past. Hirsch said that he wanted to get the money to SPENCE and wire it out to where it was supposed to go within 72 hours and that they were going to have to take the slack from all the "fuck-ups in Switzerland." Hirsch said that PETER had hurt a very good account. SPENCE asked if it was "Helen?," and Hirsch replied that it was.

WEINIG and Hirsch discuss sending a confirmation.

123. On or about July 15, 1994, at approximately 10:48 a.m., Hirsch called WEINIG at WEINIG's office at 1540 Broadway, Suite 29-A, and said that he had done a "three way" with the bank and that the bank had just done it. Hirsch told WEINIG "to leave instructions to fax the federal wire numbers." Hirsch asked WEINIG whether they should wire a one-sentence confirmation, to which WEINIG replied that they should wait until Monday because it was not urgent. Hirsch said "the urgency is that the idiot [PETER] needs the million."

PETER and Hirsch discuss the receipt of "one container."

124. On or about July 15, 1994, at approximately 4:35 p.m., PETER called Hirsch, who said that they had received something "over there." PETER asked how much, and Hirsch replied "one container." Hirsch said "he calls every two hours. I sent him the faxes to 305. I spoke to him about the container and P. R., that we will process it quickly." PETER said that he had a discrepancy of \$8 million, and Hirsch said they would find it, but that it was not there. Hirsch said that he had every transfer that went out, each one, including to the bank of Korea and Switzerland. Hirsch said that he worked an entire week on the accounting for the transfers and that he left all the papers in the office. In addition, Hirsch said, "I have everything. Each paper, I gathered everything."

SPENCE tells HAYDEN about being stopped  
by Police in Florida on or about June 23, 1994.

125. On or about July 18, 1994, at approximately 1:07 p.m., HAYDEN called SPENCE and asked SPENCE if he was "doing any more with the guy down here [Los Angeles]," to which SPENCE responded that he was not. SPENCE said that "we" do not need any

aggravation, and that "we run our end clean." SPENCE further stated that he had spoken to the guy "we work for," and they had "straightened it all out." SPENCE said that he did not want to deal with "the guy" because he was always a problem, and HAYDEN said that it seemed that way because "we" had other "bullshit." SPENCE next stated that he had been dealing with four other places in addition to Los Angeles without any problems and so the problems that existed with Los Angeles were not his fault but that of the people in Los Angeles. In response, HAYDEN stated that the problem "must be someone in their group," and that CHRISTOV had previously explained the one problem to SPENCE. In response, SPENCE stated, "I'll tell you a better one [problem], what happened to me in Miami. These people are nice, but they are stupid." HAYDEN said that it was "crazy on the street." SPENCE then explained that the woman had made him take her car and that it did not have a valid registration sticker on it at the time and that, as a result, he had been pulled over by the Police. HAYDEN then asked where the "merchandise" was, to which SPENCE replied that it was in the back of the car when the car was pulled over. SPENCE said that he told the guy [police officer] that he could check the car, that he carried a lot of money, and that it did not fit in his wallet, to which the police officer responded by asking how much money SPENCE carried, to which SPENCE replied, "what, are you writing a book?" SPENCE then said, "it was hilarious," because "the cop never saw that much money in his life."

Hirsch and SPENCE discuss transferring funds and eliminating PETER.

126. On or about July 19, 1994, at approximately 2:26 p.m., Hirsch called SPENCE and explained that SPENCE had transferred it into an escrow account and then, under instructions from their clients, put the money into the Guardian Funding escrow account. Hirsch next stated that Guardian Funding was instructing them to send "it" to a variety of locations, and that OCAMPO was sending the destinations for the payments to Hirsch. Finally, Hirsch said that they were okay, that it was done, but that they were eliminating PETER.

LEIFER and SPENCE discuss opening accounts and depositing funds.

127. On or about July 20, 1994, at approximately 2:06 p.m., LEIFER called SPENCE and told SPENCE that he [LEIFER] was on a "cordless," [telephone] and asked SPENCE whether that was okay, to which SPENCE responded that it was. LEIFER then said that people could not do more than one hundred and fifty every day. LEIFER then asked whether they could be traced, and SPENCE answered that he did not know. SPENCE then told LEIFER that he should open accounts with as little as twenty dollars, bring checks a week later, and then close the accounts when the checks

cleared. SPENCE said that he could do big ones, but that it was going to cost LEIFER. SPENCE mentioned to LEIFER that SALERNO was conducting a pick-up for SPENCE at that time, and that he would contact LEIFER as soon as he had heard from SALERNO.

128. On or about July 21, 1994, at approximately 1:06 p.m., LEIFER called SPENCE and asked if there was any news [regarding the SALERNO pick-up]. SPENCE said that he would make a few phone calls to see what was going on. LEIFER said that the problem was with the account, to which SPENCE replied that the account was the easy part because once it was closed, it was closed. SPENCE said that because it was a corporation, there was no liability. SPENCE said that anyone could open up a corporate account if they had a corporate seal and an identification number, and told LEIFER to use his congregation as a mailing address. LEIFER stated that he did not want to give any personal identification to open an account, and SPENCE responded that he would try to find someone to open the account for LEIFER.

129. On or about July 22, 1994, at approximately 1:50 p.m., LEIFER called SPENCE and said that he had "140" and that he wanted SPENCE "to put it in." SPENCE said that it was too late, and that he would pick it up on Sunday. SPENCE and LEIFER talked about SALERNO being arrested, and SPENCE said that it had nothing to do with him.

SPENCE lies about the disappearance of his Mercedes.

130. On or about July 25, 1994, at approximately 9:11 a.m., SPENCE received a call from a claims representative at Allstate Insurance Company in Fort Myers, Florida. That representative informed SPENCE that their telephone call was being recorded and that she needed to obtain from SPENCE a detailed account concerning the circumstances surrounding the alleged disappearance of his Mercedes. After acknowledging that the conversation was being recorded, SPENCE explained that he was watching a New York Knick basketball game at a bar when his Mercedes was stolen, and that he wanted to settle the claim as soon as possible.

PETER tells Hirsch that PETER is in trouble.

131. On or about July 25, 1994, at approximately 2:02 p.m., PETER called Hirsch and asked Hirsch what was happening. Hirsch told PETER that he was in a meeting and that he would call PETER back in one-half hour. PETER said that he was in a "very difficult situation." Hirsch said that he understood and PETER asked Hirsch to please stay in touch because he was "in a situation between life and death here."

LEIFER and SPENCE discuss SPENCE's account and receiving loads of cash.

132. On or about July 26, 1994, at approximately 7:50 a.m., SPENCE spoke to LEIFER by telephone and said that he was expecting some "stuff" that day and some stuff at the end of the week. LEIFER said that the "140 guy" was hounding him about the money, but that he had it and had not done anything with it. Later in the conversation, SPENCE said that he wanted to get that thing taken care of, and asked if LEIFER had put anything in SPENCE's personal account. LEIFER responded that he had last week and that he would have to look at the date.

133. On or about July 29, 1994, at approximately 8:19 a.m., LEIFER called SPENCE, who said that he was expecting a package that afternoon and that he should be getting funds. SPENCE said that he had not gotten anything for over one week and then all of a sudden he had gotten bombarded. LEIFER then mentioned PETER. SPENCE said that there were two or three loads expected, and that he [SPENCE] would ship it right out.

KALANZ tells SPENCE that he is being investigating by Federal Authorities.

134. On or about July 29, 1994, at approximately 12:23 p.m., SPENCE called KALANZ at 431 East 165th Street and said that somebody at work approached him the previous day, and told him to watch out with respect to what he [KALANZ] was doing down there. SPENCE asked KALANZ "down where?" and KALANZ replied "down there." SPENCE then said "down here," and KALANZ replied "yeah." SPENCE asked KALANZ who had been watching the place, to which KALANZ replied "the Feds." KALANZ explained that his friend at work, who had the information, could not give him a lot, but that he [KALANZ] wanted to let SPENCE know. SPENCE asked KALANZ if he was okay, and KALANZ replied that he was. SPENCE told KALANZ to keep an eye out for himself.

OCAMPO and Hirsch discuss laundering money for BOTERO.

135. On or about August 5, 1994, at approximately 10:10 a.m., Hirsch called OCAMPO and said that "we cleared up the 150," and that he would send OCAMPO the documents in twenty minutes. OCAMPO replied, "this thing is screwing up the whole business." Hirsch said that "it" was all done and "it" was in the institution. Moments later, Hirsch said, "Freddy's [BOTERO] stuff is already in the institution," and, "send immediately the place where you want Freddy to receive his stuff." OCAMPO then said that he had to have "the fax number and everything." OCAMPO then said that "this" could be on a "daily basis." Hirsch ended the conversation by asking OCAMPO about the "warehouses" for that day and asking OCAMPO to call him at his office in twenty minutes.

SPENCE, DILLUVIO and Hirsch  
discuss receiving and sending money.

136. On or about August 5, 1994, at approximately 12:08 p.m., SPENCE called Hirsch and said that it was \$489,944. SPENCE said that Hirsch should give him the exact count, and asked Hirsch to send him the fax. Hirsch said that he was going to tell "him" to send them the information to send the money out of there on Monday or Tuesday. SPENCE and Hirsch then calculated their percentage of this transfer. Hirsch said that SPENCE should send "the fifty" immediately.

137. On or about August 5, 1994, at approximately 12:11 p.m., SPENCE called DILLUVIO at the Morris Park Citibank and said that he needed something sent for fifty. DILLUVIO asked where it was going, and SPENCE replied that it was going to "United Bank, Houston Texas, Greenway Plaza Office, Houston, Texas, 77251-1370." SPENCE provided the routing number and the account number, and said that the account was named "Savannah Group." DILLUVIO verified the numbers. SPENCE asked DILLUVIO to send him a copy.

138. On or about August 5, 1994, at approximately 3:10 p.m., SPENCE called Hirsch and said that "the meat is in the sauce," and asked Hirsch to give him a call and tell him that the fifty [\$50,000] was gone.

139. On or about August 8, 1994, at approximately 3:29 p.m., Hirsch called SPENCE and said that he needed the wire transfer number for the fifty grand. Hirsch said that OCAMPO had been calling all day and that he [OCAMPO] needed to show his people. SPENCE then placed a conference call to Citibank with Hirsch on the line and asked to "speak to my chick [DILLUVIO]," after which SPENCE told DILLUVIO to fax a wire confirmation to Hirsch.

PETER and OCAMPO talk to Hirsch about transferring funds.

140. On or about August 12, 1994, at approximately 8:24 a.m., PETER called Hirsch and said that he was reiterating that if "he" does not receive it, Hirsch will get PETER chopped into pieces. Hirsch told PETER not to worry, to which PETER replied that Hirsch did not know what kind of "S.O.B.s" he was dealing with. PETER said that his life was in Hirsch's hands, and that he needed money. Hirsch told PETER that PETER should send Hirsch a fax telling Hirsch where "he" was and how he [Hirsch] could get in touch with "him."

141. On or about August 15, 1994, at approximately 9:11 a.m., OCAMPO called Hirsch and told Hirsch that the bankers with whom he was doing business did not understand "this way" of doing business. Hirsch said that everything had gone fine "in terms of

making the collection and turning over the funds. . . you have to understand the people we do business with, bankers and all, they don't understand craziness . . . and there is no way I can make them understand that." OCAMPO said that PETER had been calling every ten minutes because he was afraid, and that he [OCAMPO] was worried that Hirsch's pickup would be delayed. Hirsch said that he was "going to re-send this thing here to Fred [BOTERO] here in New York when I get in . . . so he should have it by afternoon . . . they put a tracer on it on Thursday . . . I'm going to re-send it." OCAMPO said that he knew Hirsch was under a lot of pressure, but asked Hirsch to get this one out to him, saying "it has to be today, I don't have any time." Hirsch said that "the guy took the merchandise to the bank today . . . this morning . . . it's in."

SPENCE, SALERNO and Hirsch arrange  
to make a pick up from John Doe No. 3.

142. On or about August 15, 1994, at approximately 11:40 a.m., John Doe No. 3 called Hirsch and said that he was calling on behalf of Freddy and that he would like to meet. Hirsch asked whether John Doe No. 3 would meet Hirsch in Hirsch's office, and then gave John Doe No. 3 the address of Hirsch Weinig at 1540 Broadway, Suite 29-A. John Doe No. 3 said that he believed he had spoken to Hirsch before, and Hirsch asked whether John Doe No. 3 had been in the office (1540 Broadway, Suite 29-A), to which John Doe No. 3 replied that he had been there about a month and a half earlier with a couple of guys.

143. On or about August 15, 1994, at approximately 12:57 p.m., agents conducting surveillance observed John Doe No. 3 enter the office building located at 1540 Broadway, New York, New York. John Doe No. 3 left the building at approximately 1:33 p.m.

144. On or about August 15, 1994, at approximately 1:58 p.m., SPENCE called Hirsch, who told SPENCE that "the guys from Mr. Fred" [BOTERO] want to deliver this afternoon at 4:00 p.m., and they want to deliver to someone they have seen before." SPENCE said SALERNO had met the guys from Mr. Fred the last time.

145. On or about August 15, 1994, at approximately 2:05 p.m., SALERNO called SPENCE and SPENCE asked SALERNO if he remembered meeting a guy at 33rd Street by the tunnel who had given him a package. SALERNO acknowledged that he remembered. SPENCE asked SALERNO if he could do it later that day at around 4:00 p.m., to which SALERNO responded that he would make it his business to do it. SPENCE told SALERNO to call him back in five minutes.

146. On or about August 15, 1994, at approximately 2:10 p.m., Hirsch called SPENCE and said that "he" was going to beep

SALERNO "right now to set it up." SPENCE replied that he had already alerted SALERNO. Hirsch said, "it's one," to which SPENCE replied that it would be no problem.

147. On or about August 15, 1994, at approximately 2:23 p.m., SALERNO called SPENCE, who instructed SALERNO to "be careful. There's a lot. Okay? Make it fast and quick. Like you did it last time -- beep me once, you get it."

148. On or about August 15, 1994, at approximately 2:23 p.m., SPENCE called Hirsch and said that SALERNO would conduct the pick up at 4:00 p.m. and that the money would be taken to the bank the next day. Hirsch said that "these are the guys we want to keep real happy." SPENCE said that he knew and that was why he wanted to make the pick up right away. SPENCE also said that he would make sure the other end was covered.

149. On or about August 15, 1994, at approximately 2:26 p.m., SPENCE called DILLUVIO at the Morris Park Citibank and asked her if she could handle a package. DILLUVIO asked how much, to which SPENCE responded "about a million." SPENCE said that it should be big, and DILLUVIO asked if SPENCE could get it there bright and early.

150. On or about August 15, 1994, at approximately 4:37 p.m., agents conducting surveillance observed John Doe No. 3 driving a blue Plymouth, which John Doe No. 3 parked in the vicinity of One West 28th Street, New York, New York. John Doe No. 3 then met with SALERNO and handed SALERNO a weighted bag, which SALERNO placed in the trunk of his car.

OCAMPO and Hirsch discuss transferring funds picked-up from BOTERO.

151. On or about August 16, 1994, at approximately 8:10 a.m., OCAMPO called Hirsch, who said that all of Mr. Fred's [BOTERO'] payments were going into the institution that morning. OCAMPO asked if Hirsch was going to send the payments to "the mountains," and Hirsch replied that he was. OCAMPO asked if it would take a long time to transfer, and Hirsch replied that it would not because he was not going to send it to WEINMANN. Hirsch said that OCAMPO should receive the money by Wednesday, and asked OCAMPO to send him a list of the new warehouses, so that he could process it immediately. Hirsch asked if OCAMPO was sure that PETER was going to see a couple of million dollars, to which OCAMPO replied, "Yes. We must go on with the project."

SPENCE and Hirsch discuss a magazine article about money laundering.

152. On or about August 17, 1994, at approximately 10:40 a.m., SPENCE called Hirsch, who asked SPENCE if he had read

the article. SPENCE said, "the more and more you read about this stuff," it is incredible. Hirsch said that he read it as a good thing, and SPENCE said that he agreed. Hirsch said that the article revealed the people "they" were looking for, and SPENCE said that the people they were looking for were those who do not "go back." SPENCE said that we were going back because we want everything. Hirsch agreed, and said "they are looking for -- targeting those transactions where people are running with \$9,900." SPENCE then said that it was a whole different thing.<sup>12</sup>

OCAMPO and Hirsch discuss meeting in Zurich, Switzerland and sending information to the Organization's customers.

153. On or about August 18, 1994, at approximately 9:39 a.m., OCAMPO called Hirsch, who said that the Swiss banks needed to speak to a real person from Transglobal and that he would go to Zurich if OCAMPO wanted him to. OCAMPO asked why he had to go, to which Hirsch replied that OCAMPO needed to go so that they could talk about the rest of the plan. Hirsch told OCAMPO to "fax that paper to your people," to which OCAMPO replied that if he relayed that information, he [OCAMPO] was a dead man, and then reminded Hirsch about his [OCAMPO's] brother's situation.<sup>13</sup> Hirsch urged OCAMPO to send the fax. OCAMPO said that there were twenty different people to whom he was going to send the fax. Hirsch said that OCAMPO should send it to the people he thought were important, but should not give it to everybody. Hirsch said that "the good news is that all of the money is there -- all it needs is for me to be there to release it."

SPENCE purchases part of a mortgage company.

154. On or about August 19, 1994, at approximately 11:46 p.m., Hirsch called SPENCE and they discussed a letter that they received about SPENCE's purportedly stolen Mercedes, and a meeting with the insurance people in Florida. SPENCE said that he purchased twenty-five percent of a mortgage company, and that the purchase legitimized everything else.

OCAMPO and Hirsch discuss BOTERO.

155. On or about August 29, 1994, at approximately 12:54 a.m., OCAMPO called Hirsch and said that he was with "Mr.

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<sup>12</sup> The August 15, 1994 edition of The New Yorker contained an article entitled "COLOMBIAN GOLD," which discussed, among other things, the Cali Cartel's use of structuring and other methods to launder narcotics proceeds.

<sup>13</sup> During the course of the investigation, OCAMPO stated to Hirsch that his brother had been kidnapped and was being held hostage until certain of OCAMPO's debts were paid.



Fred" [BOTERO] and that nobody was getting anything. Hirsch said that he wanted to speak to Mr. Fred, and OCAMPO replied that Mr. Fred did not want to talk, Mr. Fred wanted his money. OCAMPO then said Mr. Fred wanted to know where his funds were, that was all he wanted to know, otherwise Mr. Fred was going to stop everything.

156. On or about August 30, 1994, at approximately 9:16 a.m., OCAMPO called Hirsch and said that there were many problems to deal with. Hirsch asked, "did you track the sums, Paul? Did you track the money?" OCAMPO said that he had not. Hirsch said that "Fred's money left before the 26th, so I'm surprised it didn't show there yet," and said that OCAMPO should not to leave until "we find the money today." OCAMPO said that he had a plane to Germany in one and one-half hours, that he wanted to help PETER, but that he was out of ideas. Hirsch explained that in the future there would be options. Hirsch said that one option would be to have Transglobal "make its own payments straight from New York," in that case everybody would get their money the next day, as had been the case with the half-container from Mr. Fred. Hirsch and OCAMPO discussed the issue of Fred's money and Hirsch said "if you can remember the order, first went out the million two payment, then Fred's payment, then the second payment on the loan. Fred's money should have been there long ago. The third pay of the loan should have started to hit yesterday . . . Megabank payments for yesterday and Chase Manhattan Bank payments for yesterday were not loan payments." OCAMPO then asked, "we are sure now, . . . it is 201 and 203 right?" Hirsch responded, "and forty-five and fifty, exactly right."

An Unknown male arranges with Hirsch  
for the Organization to pick-up money.

157. On or about September 2, 1994, at approximately 9:54 a.m., an unknown male ("UM-1") called Hirsch and asked for "Sammy." UM-1 asked Hirsch if he had heard that UM-1 was going to give him money, to which Hirsch replied that they were expecting the call from Sammy. UM-1 said that he would call back shortly, and Hirsch said they wanted to get "this" done fast.

158. On or about September 2, 1994, at approximately 10:40 a.m., OCAMPO called Hirsch and instructed Hirsch to use the name "Sammy" and to say that he [Hirsch] was acting on behalf of "Fred." OCAMPO said that if the guy asked Hirsch anything, Hirsch should tell him it was from Fred. OCAMPO also said that he believed "it" would happen very soon.

The Organization picks up approximately  
\$755,667 in cash and transfers it to the WEINMANNs.

159. On or about September 3, 1994, at approximately 10:12 a.m., UM-1 called Hirsch at 1540 Broadway, Suite 29-A, and

said that he was the guy who Hirsch had spoken with the previous day. Hirsch told UM-1 that he never called back. UM-1 said that he had to find out who Hirsch was, and Hirsch said, "it's Fred" [BOTERO]. UM-1 said that if Hirsch had told him "it was Fred, I would have known right away," and then asked Hirsch if they could do it that day, to which Hirsch responded that they could. Hirsch asked where and if it was "one container," to which UM-1 responded that it was and asked Hirsch where he wanted to meet. Hirsch said that it could be in Manhattan or Queens. UM-1 said that it would be better in Manhattan.

160. On or about September 3, 1994, at approximately 10:22 a.m., Hirsch called SPENCE and said, "it's today. The guy will call back within a half-hour." Hirsch said that he just wanted to get SALERNO ready, and SPENCE said that SALERNO was ready. Hirsch asked SPENCE what type of car SALERNO would be driving, to which SPENCE said that it would be a black Oldsmobile. SPENCE then suggested that SALERNO and UM-1 talk and make arrangements for the money pick-up.

161. On or about September 3, 1994, at approximately 10:44 a.m., UM-1 called Hirsch at 1540 Broadway, Suite 29-A, and asked, "how about three o'clock?" Hirsch said, "okay, where?" UM-1 said "in the city." UM-1 then told Hirsch to take the last two numbers of his [Hirsch's] cellular telephone number and subtract twelve, and that it was that number and Fifth Avenue.<sup>14</sup> Hirsch said that Fifth Avenue was busy, and UM-1 asked about Broadway. Hirsch said that Broadway was better, that his [Hirsch's] guy's name was Gary [SALERNO] and that he would be driving a black Oldsmobile, and that the usual guys knew SALERNO. Hirsch said that SALERNO was a "dark looking guy, glasses, your guys know him, they've been meeting him on Third Avenue, but I told him it's good to change it." Hirsch further stated that SALERNO was reliable and prepared to move. UM-1 asked if SALERNO was tall, and Hirsch replied that SALERNO was about 5'10" tall, husky, wore glasses, and drove a black Oldsmobile. Hirsch told UM-1 that he [Hirsch] would tell SALERNO to wear a white shirt. Hirsch then asked UM-1 if UM-1 was going to go himself. UM-1 said that he was not going to go, but was going to send his guy. Hirsch told UM-1 that they should figure out which corner because Broadway was a big street, and UM-1 replied that it should be the corner with the telephone. Hirsch asked if there was only one telephone at that corner, and UM-1 indicated that there was a bank with a clock and a phone on the same corner.

162. On or about September 3, 1994, at approximately 10:53 a.m., Hirsch called SPENCE and said that it was going to

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<sup>14</sup> Investigation has revealed that Hirsch's cellular telephone number at that time was (917) 969-9666, and that the cross street being referred to was 54th Street.

happen at three o'clock at 54th Street and Broadway in front of a bank with a clock, and that SPENCE should tell SALERNO to wear a white shirt and his glasses. Hirsch told SPENCE to remember that this was the same client but that they were dealing with different people who would probably take SALERNO to where it was. SPENCE asked if it would be a "container," and Hirsch responded that it would be a container for that day, and probably something on the following Monday.

163. On or about September 3, 1994, at approximately 3:00 p.m., agents conducting surveillance observed SALERNO driving a black Cadillac (the "Black Cadillac") in the vicinity of 54th Street and Broadway, New York, New York. SALERNO was wearing a white shirt and dark glasses. At approximately 3:09 p.m., two unidentified men ("UM-2" and "UM-3") were observed watching SALERNO in the Black Cadillac. UM-2 walked by SALERNO, who had stopped in the Black Cadillac, and went to a payphone on the corner of 54th Street and Broadway. While at the payphone, UM-2 nodded to UM-3, who entered the passenger side of Black Cadillac with SALERNO. At approximately 3:14 p.m., SALERNO and UM-3 drove to 53rd Street near Eighth Avenue, where UM-3 exited the Black Cadillac and entered a parking garage. At approximately 3:17 p.m., UM-3 exited the garage in a white Toyota (the "White Toyota") and pulled up behind SALERNO in the Black Cadillac. UM-3 removed a large black duffle bag from the trunk of the White Toyota. UM-3 and SALERNO brought the duffle bag to the trunk of SALERNO's Black Cadillac. SALERNO then departed in the Black Cadillac.

164. On or about September 6, 1994, at approximately 8:36 a.m., agents conducting surveillance observed SALERNO carry a large black duffle bag into the Morris Park Citibank.

165. On or about September 6, 1994, at approximately 12:56 p.m., DILLUVIO called EZELL at 431 East 165th Street and said that the count for the money dropped off that morning was \$755,667, and that it should have been \$765,000. EZELL said that she would let SPENCE know if he called.

166. On or about September 6, 1994, at approximately 1:34 p.m., SPENCE called EZELL at 431 East 165th Street and asked if she had heard from the bank. EZELL replied that the total amount was \$755,667.

167. On or about September 7, 1994, at approximately 10:09 a.m., Hirsch called SPENCE and said that all had gone okay, that the figure was 757, and that they were always "right on" with the count. Hirsch said that he would call OCAMPO to see what they had to do with it.

168. On or about September 7, 1994, at approximately 10:28 a.m., Hirsch called OCAMPO and said that the exact count

was \$757,854 and that there was a wire on the way to RACHEL WEINMANN. Hirsch and OCAMPO discussed various quantities of money, and Hirsch said that he would send \$150,000 and \$350,000 to a "warehouse." OCAMPO told Hirsch to send \$150,000 to the second warehouse, and Hirsch asked, "Do you mean the Nation Bank of Georgia?" OCAMPO said that he did. OCAMPO said that the other warehouse was "Ocean Bank," where the Multi-Exchange Corp. owed money. OCAMPO said that the Nation Bank of Georgia company was "RHM Trust," and that Hirsch should send \$150,000 to the Nation Bank of Georgia along with \$107,000.

OCAMPO and Hirsch discuss wire transfers and what OCAMPO should say if questioned by the authorities.

169. On or about September 7, 1994, at approximately 12:37 p.m., OCAMPO called Hirsch at 1540 Broadway, Suite 29-A, and said that he had a fax confirming \$150,000 that was done on August 31, 1994. OCAMPO said that he could not get out of Germany until the problem with PETER in Kazakhstan was resolved. Hirsch said that they would have to get a payment to Guardian Funding, and that their "story" was that Guardian Funding was to pay cash in Kazakhstan. Hirsch told OCAMPO that he would tell FBI Bank that the last payment to FBI Bank was a mistake. Hirsch said that to stop a wire transfer one had to either say it was a mistake or that it was in some way fraudulent, and that he [Hirsch] did not want to say it was fraudulent because it was the WEINMANN's account "over there" [in Switzerland].

170. On or about September 7, 1994, at approximately 2:20 p.m., Hirsch called OCAMPO, who said, "[i]f the authorities ever ask," and was interrupted by Hirsch, who said, "I understand." OCAMPO explained that he was worried that if he was ever questioned by the authorities he would not know what to say, and that the authorities would not accept OCAMPO's answers to their questions. Hirsch said that OCAMPO would have to wait until they had devised an explanation for the source of the funds to be provided to the authorities in connection with the seizure cases. Hirsch said that it was not illegal to do cash business, but that you needed a reasonable, normal explanation for the way the business was being conducted.

SPENCE and Hirsch arrange to pick-up \$1,000,000.

171. On or about September 13, 1994, at approximately 12:46 p.m., Hirsch called SPENCE and said that there would be \$1 million, consisting of \$400,000 that day and \$600,000 the following day. Hirsch described a woman named "Gigi" and said that the pick-up would take place at 3:00 p.m. on the south-west corner of 59th Street and Third Avenue, New York, New York, in front of a delicatessen. Hirsch said that Gigi would be wearing a green skirt and a green and white top, and that she would be

looking for Gary [SALERNO]. SPENCE asked if she would have "it," and Hirsch replied that she would.

172. On or about September 13, 1994, at approximately 1:00 p.m., agents conducting surveillance observed an unidentified male ("UM-4") and unidentified female ("UF") enter a grey Pontiac (the "Grey Pontiac") at the intersection of 45th Street and Broadway, New York, New York, the same block on which the offices of Hirsch Weinig are located. At approximately 2:30 p.m., UF and a second unknown male ("UM-5") placed a large paisley travel bag in the trunk of the Grey Pontiac in the vicinity of 111 Ellwood Street, New York, New York. At approximately 3:25 p.m., UF, UM-4 and UM-5 parked the Grey Pontiac in the Fresh Meadows Shopping Plaza, Queens, New York. UF, UM-4 and UM-5 left the Grey Pontiac and entered a K-mart Department Store. Approximately twenty minutes later, agents then sought to locate UF, UM-4 and UM-5 but could not find them. A check of Department of Motor Vehicle ("DMV") records revealed that the windshield registration sticker on the Grey Pontiac was listed as having a different license plate from the one displayed on the Grey Pontiac at that time. At approximately 8:45 p.m., agents seized the Grey Pontiac. A search of the vehicle revealed a large paisley travel bag containing bundles of United States currency totalling approximately \$395,697.

173. On or about September 13, 1994, at approximately 3:20 p.m., SPENCE called Hirsch and said that "our person" [SALERNO] was at the "deli," and that it was then 3:20 p.m. At approximately 3:58 p.m., SPENCE again called Hirsch and said that "Gary" [SALERNO] was still waiting at the delicatessen.

VALENCIA threatens Hirsch.

174. On or about September 14, 1994, at approximately 3:41 p.m., VALENCIA called Hirsch at 1540 Broadway, Suite 29-A, from Colombia. Hirsch said that VALENCIA would have the money by that Friday or the following Monday, and VALENCIA replied that both her life and OCAMPO's life were in danger. VALENCIA explained that she owed "the people" \$425,000 that she had entrusted to OCAMPO and Hirsch. VALENCIA said that PETER was going to get herself, OCAMPO, and their children killed, and accused Hirsch of having sent false papers concerning the transfer of money that was never in fact transferred. VALENCIA said that she did not want to have to send someone to Hirsch's office, and that she was powerful in Colombia and could arrange to send people after Hirsch.

Hirsch explains payment problems to BOTERO.

175. On or about September 14, 1994, at approximately 4:57 p.m., Hirsch called OCAMPO, who said that they needed to speak to three people and that he [OCAMPO] wanted to start with

BOTERO. Hirsch and OCAMPO then called BOTERO in Colombia and included him in the conversation. Hirsch said that BOTERO would have his money by that Friday, that PETER was causing problems with banks in Switzerland, and that Hirsch was therefore having problems getting BOTERO's money out of Switzerland. BOTERO asked if the problem was a legal problem or an internal problem, and Hirsch replied that it was an internal problem. BOTERO explained that he was concerned because he could not pay his [BOTERO's] customers.

VALENCIA claims to be being held at gun point and again threatens Hirsch.

176. On or about September 14, 1994, at approximately 5:27 p.m., Hirsch called OCAMPO, who said that PETER's dealings had gotten VALENCIA in trouble. Hirsch and OCAMPO called VALENCIA in Colombia and included her in the conversation. VALENCIA said that she did not want explanations, she just needed the money for "the people." VALENCIA said, "give me that money or you know what's going to happen to you!" VALENCIA explained that "he" was coming to take her somewhere until she paid "his" money, and that there were two men with guns standing beside her at that moment. VALENCIA handed the telephone to an unknown male, who asked OCAMPO in Spanish what the problem was. OCAMPO said that the problem was caused by "Renee" [PETER] and that he [OCAMPO] and the lawyer [Hirsch] were trying to rectify the problem. Hirsch proposed removing "Renee" [PETER] from the process, and getting a letter of credit for a large amount of money to cover the outstanding funds owed. VALENCIA complained about the nine month delay, and asked Hirsch why he could not get money from the lawsuits. Hirsch said that the lawsuits took time, and reiterated his proposal of obtaining a letter of credit. VALENCIA explained that she had finished listening to excuses and that she wanted the money the following day.

OCAMPO and Hirsch explain payment problems to LOPEZ.

177. On or about September 14, 1994, at approximately 5:53 p.m., Hirsch and OCAMPO called LOPEZ. OCAMPO participated in the conversation and acted as an interpreter for Hirsch and LOPEZ. Hirsch and OCAMPO explained that "Renee" [PETER] rerouted the payments, and that they should not be held responsible for PETER's conduct. Hirsch invited LOPEZ to his office to discuss things, and LOPEZ inquired about the lawsuit stemming from the April seizures [which, in fact, never occurred]. Hirsch and OCAMPO explained that LOPEZ could call anytime to find out how the seizure-related lawsuits were progressing. OCAMPO explained that LOPEZ wanted assurances from Hirsch that he [LOPEZ] would have a facsimile with confirmations by that Friday, and Hirsch said that he would.

178. On or about September 14, 1994, at approximately 6:13 p.m., Hirsch called OCAMPO, who explained that they had contacted three people out of approximately twenty to whom money was owed. Hirsch asked OCAMPO for an assurance that no one was on the way to kill him [Hirsch], and OCAMPO said that he [OCAMPO] thought that things had been diffused for the present time. Hirsch explained how truthful he [Hirsch] had been with everyone, and OCAMPO said that the truth may be more dangerous than lies. OCAMPO said that he might be killed when the truth was exposed because he had run out of excuses for PETER and because he had taken responsibility for this mess.

VALENCIA threatens Hirsch's life.

179. On or about September 15, 1994, DEA's New York Office was informed that VALENCIA and others in Colombia had discussed kidnapping and killing Hirsch and his family because of money the Organization owed to VALENCIA. DEA New York learned that VALENCIA had said that she wanted to have Hirsch or a member of his family kidnapped until payment was made, and then Hirsch and his family would be killed. In addition, DEA New York learned that on or about September 15, 1994, VALENCIA had hired assassins who were waiting for Hirsch to arrive at his office at 1540 Broadway, New York, New York.

OCAMPO and Hirsch discuss monies owed.

180. On or about September 16, 1994, at approximately 7:00 p.m., Hirsch called OCAMPO, who said that he had been able to calm down VALENCIA. OCAMPO said that VALENCIA assured him that PETER would pay for everything he had done and that once he had done so, VALENCIA would give all her "support" to Hirsch. OCAMPO said that they should pay the dangerous people back first and that RACHEL WEINMANN would get her money after everyone else was paid back first. OCAMPO and Hirsch then discussed money owed to VALENCIA, LOPEZ, and BOTERO. OCAMPO said that these people went to Hirsch's office and that "they will pull your lungs out." OCAMPO also said that his brother was still being held hostage.

SPENCE and Hirsch discuss threats and how to proceed.

181. On or about September 18, 1994, at approximately 11:10 p.m., Hirsch called SPENCE and said that he had received a call from VALENCIA in which she threatened to send someone from Colombia to cut him [Hirsch] and his family to pieces. SPENCE said that OCAMPO was not telling Hirsch the whole story because "the people" would not have come after Hirsch unless OCAMPO had told them things beyond what he had told Hirsch. SPENCE recommended that they pay these people and stop doing business with them. Hirsch asked SPENCE if he ever realized that these people could be like this, and SPENCE responded, "Sure, I've been telling you that." SPENCE suggested that Hirsch tell VALENCIA

that they do things professionally, that they send it out, that they do not steal it, and that if VALENCIA had problems she should contact PETER and OCAMPO. SPENCE then said that he told WEINIG that he [SPENCE] sent everything he received. SPENCE asked Hirsch if he got his hand stuck in the "cookie jar?" Hirsch replied that there was no money that had not been sent. SPENCE said that it was time to end it, and that they should "just be grateful for the stuff that's sitting there." SPENCE said that he would contact the Swiss bank to have Hirsch's money wired into SPENCE's account, and then wire the money out to VALENCIA.

OCAMPO and PETER talk to Hirsch about money owed.

182. On or about September 20, 1994, at approximately 3:25 p.m., Hirsch called OCAMPO and they discussed payments to VALENCIA, LOPEZ and BOTERO. OCAMPO said that BOTERO was their most important customer, and asked Hirsch not to tell PETER about the threats. OCAMPO explained that Hirsch should focus on BOTERO and that PETER would feel the pressure.

183. On or about September 20, 1994, at approximately 6:00 p.m., Hirsch called PETER and they had a conversation in which they discussed, in both English and Hebrew, the money that they owed. During the conversation, PETER stated that they owed \$9 million in seized money plus penalties and interest.

WEINIG, SPENCE and Hirsch begin to pay back VALENCIA.

184. The CS advised me that on or about September 20, 1994, WEINIG gave Hirsch a cardboard box containing approximately \$200,000 in United States currency to pay VALENCIA. The next day, on or about September 21, 1994, at approximately 10:35 a.m., agents conducting surveillance at the Morris Park Citibank observed EZELL and Hirsch enter the bank with a brown bag and leave the bank approximately ten minutes later without the box.

185. On or about September 22, 1994, at approximately 5:00 p.m., Hirsch called WEINIG in WEINIG's office at 1540 Broadway, Suite 29-A. WEINIG said that BOTERO had called and then provided BOTERO's beeper and telephone numbers to Hirsch. WEINIG and Hirsch then discussed monies owed to certain Colombians, including BOTERO, and WEINIG told Hirsch that he had spoken to SPENCE and that SPENCE had assured him that approximately \$200,000 that WEINIG and Hirsch had given to SPENCE for deposit had been sent to VALENCIA.<sup>15</sup> WEINIG also said that

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<sup>15</sup> On or about September 21, 1994, DEA agents conducting surveillance observed Hirsch and EZELL entering the Morris Park Citibank in possession of a box containing approximately \$200,000 in United States currency, and observed them leaving shortly



he had checked the Citibank account [the Transglobal account into which the money had been deposited and had discovered that the money was still in the account, in response to which Hirsch stated that he was worried that SPENCE had not sent the money. WEINIG then told Hirsch in substance not to worry because they could pay down the debt to VALENCIA using money from accounts in Switzerland if necessary, to which Hirsch replied that the money in Switzerland was not theirs.<sup>16</sup> WEINIG then said that they had money in escrow accounts and that they could send directly from their office if necessary.

SPENCE meets UC, who asks SPENCE to  
return \$500,000 or 50 kilograms of merchandise.

186. On or about September 22, 1994, UC and two other undercover agents met with SPENCE at his Florida residence. UC told SPENCE that he wanted the \$500,000 in cash that SPENCE had lost returned to him or fifty kilograms. SPENCE said that he did not handle merchandise [cocaine], and that he would pay UC the money.

187. On or about September 22, 1994, at approximately 7:05 p.m., Hirsch called SPENCE, who said that three guys visited him, handed him items taken from his Mercedes, and asked for the "stuff" or the \$500,000. Hirsch asked if they were nasty, and SPENCE replied that they were polite. Hirsch asked if they were Colombian, and SPENCE indicated that they were. SPENCE said that he expected WEINIG and Hirsch to each pay a one-third share of the \$500,000, and that either WEINIG or Hirsch had to take a ride down to Florida [transport the money to SPENCE].

188. On or about September 24, 1994, UC and the two other undercover agents met SPENCE at a restaurant parking lot, where SPENCE gave UC and the two other undercover agents two bags containing \$500,000. During the meeting, SPENCE said that it was not his fault the money had been seized, explaining that he had wanted to pick up the money in a hotel where it was not unusual for people to enter and exit with suitcases and where no one could observe the exchange. SPENCE said that he considered himself "an expert in the money laundering world." SPENCE suggested that UC not tell the Colombians for whom UC was working that SPENCE had repaid \$500,000 so that SPENCE could keep the money and so that UC could get 50 kilos of cocaine. SPENCE then provided UC with advice on how to launder money and explained how

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thereafter without the box.

<sup>16</sup> This investigation has revealed that WEINIG and Hirsch maintain two numbered accounts at Bank Leumi in Switzerland, the aggregate balance of which at the time of this conversation was approximately \$320,000.

he avoided detection, including using "Federal Express" to send cash. In a telephone conversation later that day, SPENCE said that UC should hide his black Mercedes because he [SPENCE] had filed an insurance claim and did not want the car to re-appear.

HERMAN and Hirsch discuss HERMAN'S past money laundering and doing more business in the future.

189. On or about September 28, 1994, at approximately 9:59 p.m., Hirsch called HERMAN and said that they were going to pick up two and one-half containers and that this could become a regular thing. HERMAN said that he could handle one container per week, and then asked Hirsch "what is our deal?" Hirsch replied that he and HERMAN would each take 4 percent. HERMAN asked why they were not getting 10 to 12 percent, and Hirsch replied that they would each get \$40,000 per container and that HERMAN should be able to pay LEON SHULUM WEINMANN from his (HERMAN's) share. HERMAN asked about PETER, and Hirsch explained how PETER had left him (Hirsch) with the problem of paying off monies that had not been paid. HERMAN said that they should take 10 percent, not eight percent.

190. On or about September 29, 1994, at approximately 11:27 a.m., Hirsch called HERMAN and said that none of the money could be diverted, not even if PETER gave LEON SHULUM WEINMANN and RACHEL WEINMANN instructions to divert it. HERMAN said that he had laundered eleven containers [\$11 million] before he began working with SPENCE and Hirsch, of which seven containers [\$7 million] had gone through. Hirsch and HERMAN then agreed that when they had met with the WEINMANNs,<sup>17</sup> the WEINMANNs had acknowledged having moved between \$70 million and \$100 million with PETER during the previous year.

The Colombian National Police Arrests OCAMPO.

191. On or about September 29, 1994, the Colombian National Police attempted to arrest several subjects of an investigation they were conducting. OCAMPO and Michael Johnson were arrested by the Colombian National Police and have been detained. VALENCIA was located, but was subsequently released. BOTERO is currently a fugitive.

JULIANA LNU contacts Hirsch on behalf of BOTERO.

192. On or about September 29, 1994, at approximately 11:55 a.m., JULIANA LNU called Hirsch and said that she was

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<sup>17</sup> This meeting, which occurred between on or about January 31, 1994 through on or about February 2, 1994, is discussed above at Paragraph 34.

contacting him on behalf of "Mr. Fred" [BOTERO]. JULIANA LNU said that Hirsch should deal only with her with respect to BOTERO.

193. On or about September 29, 1994, at approximately 9:15 p.m., JULIANA LNU called Hirsch and said that OCAMPO and MICHAEL LNU had big problems and are not able to talk to BOTERO. JULIANA LNU said that BOTERO "is the principal head here in Colombia and he is the only person -- the only person who can give you security is Fred." Hirsch asked JULIANA LNU to assure him that certain people did not want to kill him, and JULIANA LNU replied, "the only person that really that can kill you is Fred [BOTERO]."

WEINIG and Hirsch discuss SPENCE, VALENCIA and BOTERO.

194. On or about September 30, 1994, at approximately 11:28 a.m., Hirsch called WEINIG at WEINIG's office at 1540 Broadway, Suite 29-A, and said that BOTERO was the principal of everyone in Colombia. Hirsch then explained the money problems arising from the debt owed to BOTERO, and WEINIG acknowledged the problem. WEINIG then said, "listen, let's not talk about this on the phone," and Hirsch responded by asking WEINIG for the number of WEINIG's private telephone line at the office. WEINIG then provided the number and stated that he did not believe his private line was any more secure. Hirsch then said that the checks had been dropped off and asked if WEINIG had photocopied them. WEINIG then stated that he had not photocopied the checks, but that he did have a list of where the checks had gone, and Hirsch asked WEINIG to put it in a facsimile to BOTERO. Hirsch said that he had explained the situation to VALENCIA with regard to BOTERO. Hirsch then told WEINIG that in a prior conversation he had with BOTERO, BOTERO had implied that OCAMPO might be dead, to which WEINIG replied, "let's not talk about it." WEINIG said that it would be interesting to see if Hirsch heard from VALENCIA again. WEINIG said that he had a long talk with SPENCE and said that Hirsch should not share information with him [SPENCE] because SPENCE was not being as cooperative as was expected. Thereafter, Hirsch further explained to WEINIG his positive views concerning BOTERO and WEINIG then asked whether BOTERO understood english, to which Hirsch replied that he spoke only a little english. WEINIG then stated "good, maybe we got a new client." WEINIG then said that Hirsch should ask SPENCE to get his girl on board in case they needed her. WEINIG expressed concern that they might have paid out too much money, and Hirsch replied that they would make it back in the future.

HERMAN and Hirsch discuss transferring funds through the LEON SHULUM WEINMANN and RACHEL WEINMANN.

195. On or about September 30, 1994, at approximately 12:51 p.m., Hirsch called HERMAN and asked him what he thought about their conversation with RACHEL WEINMANN the previous day.

Hirsch said that HERMAN must ensure that once RACHEL W. received the money that it would not be diverted. HE' that it would not happen, that he was the boss, and t going to split his share with LEON SHULUM WEINMANN. Hill told HERMAN that OCAMPO and PETER had stolen millions of dollars from "these people," and that they were very angry. HERMAN asked, "what kind of business are these people really in," to which Hirsch replied money laundering, and HERMAN replied "that's a problem . . . is it drug money?" Hirsch replied, "assume yes," and then asked HERMAN if HERMAN recalled what SPENCE had told them months earlier in HERMAN's office concerning the source of the money. HERMAN stated that he had commented at the meeting that it was drug money, but that SPENCE had disagreed. HERMAN then recalled that SPENCE had at one point agreed with HERMAN that it was drug money. HERMAN ended the conversation by asking Hirsch, "so, when are you going to have stuff for me."

JULIANA LNU advises Hirsch to change his telephone numbers and adopts the alias "Bonnie".

196. On or about September 30, 1994, at approximately 2:00 p.m., JULIANA LNU called Hirsch and said that OCAMPO was having problems with smart policemen in Colombia. JULIANA LNU told Hirsch to get a new cellular telephone number, to no longer use his beeper with them, and to talk only with her. JULIANA LNU said that she would be using the name "Bonnie." JULIANA LNU said that BOTERO had taken care of VALENCIA. Hirsch said that he would get a new cellular telephone number and a new beeper number.

JULIANA tells Hirsch about OCAMPO's arrest.

197. On or about October 1, 1994, at approximately 7:00 p.m., JULIANA LNU called Hirsch and said that OCAMPO blamed Hirsch for the missing money. JULIANA LNU explained that OCAMPO said that Hirsch was a "pig," meaning that he was "police," and that he was responsible for OCAMPO's arrest. JULIANA LNU also said that OCAMPO was in jail in Colombia, that BOTERO felt betrayed by OCAMPO, and that BOTERO had \$20 million worth of work that he would like Hirsch to handle.

Hirsch and SPENCE discuss JULIANA LNU, BOTERO and PETER.

198. On or about October 2, 1994, at approximately 9:24 a.m., Hirsch called SPENCE and said that he had spoken with BOTERO, who said that PETER and OCAMPO had been stealing money. Hirsch said that JULIANA LNU and BOTERO mentioned coming to New York to meet with Hirsch, and SPENCE said that he still had records. SPENCE asked about PETER, and Hirsch said that he told them all about PETER and wanted to help them find him. SPENCE said that he did not think it was a good idea to help them find PETER because "I think he can hurt us." SPENCE said that he did

not think that WEINIG would continue in the business, and Hirsch responded by saying that WEINIG liked money and that he liked "shoe boxes," [cardboard boxes containing bundles of United States currency]. SPENCE then asked if WEINIG had given Hirsch money yet, to which Hirsch replied that he would get it the next day and that WEINIG "knows we have to pay off the Colombians . . . he knows we'll make it back."

WEINIG gives Hirsch a bag containing approximately \$250,000.

199. On or about October 4, 1994, at approximately 10:21 a.m., agents conducting surveillance observed WEINIG leave 110 Riverside Drive carrying a black nylon bag, place the bag in the trunk of a car being driven by Hirsch, and then meet with Hirsch inside the car. The CS advised me that the bag contained approximately \$250,000.

SPENCE tells WEINIG that he kidnapped someone and WEINIG assists SPENCE in accepting the payment extorted from the victim.

200. The CS advised me that on or about November 15, 1994, SPENCE informed WEINIG that he had kidnapped someone who had swindled him in a mortgage company deal. On or about November 16, 1994, WEINIG said that SPENCE was sending someone over to the offices of Hirsch Weinig to resolve the matter by having him make conveyances of cash and art to SPENCE. WEINIG stated that he wanted to leave the office before the person with the cash and art arrived and WEINIG assigned another lawyer at the firm to handle the conveyances. Later that day, FBI agents conducting surveillance outside Hirsch Weinig observed a person carrying paintings into the building in which the firm is located.

There Is Probable Cause To Believe That Defendants RICHARD SPENCE and HARVEY WEINIG Have Made Material False Statements To The DEA In Violation Of Federal Law

201. I hereby incorporate by reference herein paragraphs 30 through 33 and 96 above.

There Is Probable Cause To Believe That Defendant RICHARD SPENCE Has Committed Fraud Over An Interstate Wire In Violation Of Federal Law

202. I hereby incorporate by reference herein paragraphs 82 through 90, 125 and 130 above.

There Is Probable Cause To Believe That Defendant  
MICHAEL T. KALANZ Has Obstructed Justice In  
Violation of Federal Law

203. I hereby incorporate by reference herein paragraph 134 above.

204. WHEREFORE, the Government requests that arrest warrants be issued for the named defendants so that they be arrested and detained or bailed, as the case may be.

Search Warrants

In addition to the information set forth above, the following pertains to the Government's search warrant applications:

The November 16, 1994 Search of SALERNO's Residence

205. On or about November 16, 1994, a court authorized search warrant of SALERNO's residence, 207-19 Melissa Court, first floor apartment, Queens, New York, revealed that he possessed, among other things, a handgun, two rifles, ammunition, a bugging device, and a bag consisting of a garrotte, three pairs of handcuffs, ammunition, and a law enforcement badge bearing someone else's name. In addition, a black duffel bag with a scrap of paper containing handwritten numbers -- apparently a record of the cash once contained inside the bag -- was also recovered. The bag appears to be similar to those observed by surveillance agents being used on a consistent basis by members of the Organization.

The Locker and NYCPD Memo books

206. I have been informed that NYCPD procedures require police officers to maintain a memo book and to record in the memo book each day their activities for that tour of duty. NYCPD rules further require police officers to save all of their memo books for the duration of their employment with the NYCPD. In addition, according to Police Officers with experience in NYCPD investigations, a police officer completes one memo book and starts a new memo book every six to ten months or so, and police officers generally maintain their old memo books either in their home or in their precinct locker. Moreover, police officers generally maintain their most recent memo book in their precinct locker. Accordingly, in addition to the items listed in paragraph 210 below (excluding sub-paragraph (g)), there is probable cause to believe that KALANZ's memo books will be found in the Locker.

### The Organization's Record Keeping

207. As set forth above in Paragraphs 115, 119, 123-124, 135-136, 139-140, 153, 169 and 198, certain members of the Organization keep detailed records of their money laundering activity and frequently send each other information involving the Organization's activities by facsimile transmission. In addition, the CS has advised me that certain members of the Organization keep extensive records involving the Organizations money laundering activities.

### CS information about Meeting House Lane

208. The CS informed me that in or about the Summer of 1994, WEINIG said that he stored at Meeting House Lane United States currency that represented money that WEINIG had obtained as a result of his participation in the Organization. At or about the same time, WEINIG mentioned that at one time he stored money in his well on the property of Meeting House Lane. In addition, the CS informed me that WEINIG has a facsimile machine at Meeting House Lane and that WEINIG has documents sent to him from Hirsch Weinig on that machine.

### Items To Be Seized

209. Further, based upon my training, experience and participation in other money laundering investigations, I know that:

a. Money launderers frequently maintain large sums of cash, their share of the illicit proceeds they launder, outside the normal banking system.

b. In order to launder the proceeds of their unlawful conduct, money launderers typically establish a series of apparently innocent financial vehicles, including, but not limited to, bank accounts, businesses, real estate investments, stocks, bonds, safe deposit boxes, and other miscellaneous monetary investments. In order to keep account of such investments, they will usually maintain records in their homes and residences, their place of business, and/or the residences of their relatives and associates.

c. Money launderers maintain bank records, copies of facsimile transmissions, books, records, receipts, notes, ledgers, airline tickets, overnight and other mail service delivery records, money orders and other documents relating to the pick up, delivery, transportation, and wire transfer of the money they launder. Such documents are generally maintained where the money launderers have ready access to them, such as at the money launderers' residences or in their places of business.

d. It is common for money launderers to maintain books, records, receipts, records of real estate transactions, bank statements and records, money drafts, letters of credit, money orders and cashier's checks, receipts, passbooks, bank checks, safe deposit keys and other items evidencing the obtaining, secreting, transfer and/or expenditure of money.

e. Money launderers take large sums of cash for themselves from their illegal activity, and commonly use cash to purchase cars, housing, clothing and jewelry. Money launderers frequently employ a number of techniques to conceal their ownership of assets purchased with the profits of their unlawful activities. The ownership of such assets is commonly concealed by placing the assets in a fictitious name or in the name of a nominee.

f. Money launderers often keep papers, airline tickets, notes, receipts, passports and other items relating to domestic and international travel where they have ready access to them.

g. Money launderers commonly have in their possession, that is on their person, at their residences and/or their places of business, firearms, including, but not limited to: handguns, pistols, revolvers, rifles, shotguns, machine guns and other weapons. Said firearms are used to protect and secure a money launderer's property and defend themselves against their narcotics trafficking customers. Such property may include, but is not limited to, large sums of cash, jewelry, books and records.

h. Money launderers commonly maintain addresses or telephone numbers in books or papers which reflect names, addresses, telephone numbers and/or paging numbers for their associates in the money laundering organization.

i. Money launderers commonly have photographs of themselves, their associates, and their property in their possession, their residence, or their places of business.

j. Money launderers commonly keep paraphernalia for counting, wrapping, conveying and concealing large quantities of cash. This paraphernalia includes but is not limited to money counters, various colored rubber bands, duffel bags, shopping bags, and cardboard boxes.

k. Money launderers routinely keep large sums of cash, books, records and other documents containing the names, addresses and/or telephone numbers of money laundering associates, firearms, ammunition, and other valuables which reflect the illegal proceeds that they launder, inside safes, key-lock strong boxes, suitcases, containers, safe-deposit boxes



and other instruments, which are further secured by combination and/or key locks of various kinds, and secreted in distribution locations in their residences and places of business.

1. Money launderers frequently secrete caches of money in secure locations and/or places of business for ready access and to conceal these items from law enforcement authorities. In order to accomplish this, money launderers frequently store cash, and other items, in seemingly innocent containers, such as paper bags and cardboard boxes. Moreover, in order to accomplish this concealment, money launderers frequently build "stash" places within their residences or places of business. The types of items concealed by persons involved in large-scale money laundering, in their residences and places of business, include the items set forth in subparagraphs (a) through (k) above.

m. Subjects who participate in organized criminal activity for an extended period of time are likely to keep items and records such as those listed above -- most of which are innocent on their face -- for a considerable period of time.

210. Courts have recognized that unexplained wealth is probative evidence of crimes motivated at least in part by greed.

211. Based upon the foregoing, I respectfully submit that there is probable cause to believe that the Premises described in Paragraphs 12 through 15 above, except as indicated above, will contain:

a. United States currency, precious metals, jewelry and financial instruments, including stocks and bonds.

b. Books, records, receipts, notes, ledgers, records of real estate transactions, airline tickets, overnight and other mail service delivery records, money drafts, bank statements and records, wire transfer documents, letters of credit, money orders and cashier's checks, passbooks, bank checks, safe deposit box keys and other items evidencing the obtaining, secreting, transfer, concealment and/or expenditure of money.

c. Papers, tickets, notes, receipts, passports and other items relating to domestic and international travel.

d. Indicia of occupancy, residency and/or ownership of the Premises described above, including, but not limited to, utility and telephone bills, cancelled envelopes and keys.

e. Weapons and ammunition.

f. Addresses or telephone numbers in books or papers which reflect names, addresses, telephone numbers and/or paging numbers for their associates in the money laundering organization.

g. Photographs, in particular, photographs of co-conspirators, assets and/or controlled substances.

h. Money laundering paraphernalia for counting, wrapping, conveying and concealing large quantities of cash, including, but not limited to, money counters, various colored rubber bands, duffel bags, shopping bags, and cardboard boxes.

i. Safes, key-lock strong boxes, suitcases, containers, safe-deposit boxes and other similar instruments, which may be further secured by combination and/or key locks of various kinds, and secreted in the Premises and the contents of such safes, key-lock strong boxes, suitcases, containers, safe-deposit boxes and other similar instruments.

j. Cashes or "stash" places built within the Premises, including under the floor boards, and the contents of such caches or "stash" places.

212. WHEREFORE, the Government requests that search warrants issue for the premises described in Paragraphs 12 through 15 above.

**Special Procedures To Protect  
Privileged Materials From Disclosure**

213. To ensure that neither the attorney-client nor the work product privilege is violated inadvertently during the search of the law offices of Hirsch Weinig, located at 1540 Broadway, Suite 29-A, New York, New York, 110 Riverside Drive, and Meeting House Lane (the "Walled Locations"), for which authorization is sought herein, a "Chinese Wall" procedure will be followed to insure that neither Assistant United States Attorneys nor law enforcement agents working on the case will review materials seized from the Walled Locations until after they have been screened for material protected by the attorney-client or work product privilege. The procedures to be followed are as follows:

a. No Assistant United States Attorney and no law enforcement agent assigned to this investigation will be present at 1540 Broadway during the search of that location.

b. An Assistant United States Attorney not connected with the prosecution will be available by telephone to


answer questions from the agents assigned to search the Walled Locations.

c. All materials seized from the Walled Locations pursuant to the aforementioned search of that location will be first reviewed, after being translated if necessary, by members of the Legal Unit of the FBI's New York Office, in conjunction with an Assistant United States Attorney unconnected with the prosecution of this case. The materials will be translated by persons who have not previously worked on translations in the case.

Conclusion

214. WHEREFORE, your deponent respectfully requests that arrest and search warrants be issued as applied for herein.

215. Given the confidential nature of this continuing investigation, I respectfully request that this affidavit and all papers submitted herewith be maintained under seal until this Court or another Court of competent jurisdiction orders otherwise.

  
JEFFREY DRUBNER  
Special Agent  
Federal Bureau of Investigation

Sworn to before me this  
29th day of November, 1994

  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK